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British Recapture S. Georgia Port As Argentine Defenders Surrender

U.S. Backing For London Is Predicted

By Leslie H. Gelb
New York Times Service

WASHINGTON — With the apparent running out of Secretary of State Alexander M. Haig Jr.'s efforts to mediate the Falklands crisis, administration officials say failure to make real progress soon would be expected to result in U.S. support for Britain over Argentina.

The officials said this was the consensus position within the White House and the State Department but that President Reagan had made no formal decision on the matter. The officials were interviewed before Sunday's clashes between Argentine and British forces in the South Atlantic.

The sources said the support, if it came, would include U.S. participation in an embargo of Argentine goods, but they said it would not involve U.S. military forces. "Everyone thinks that Haig has done a tremendously skillful job, but almost everyone also believes that further stalemate will begin to cost us in Britain without gaining us anything in Argentina," an administration official said. "The days of his playing the middleman are numbered."

'A Bunch of Thugs'
The officials said that attitudes within the administration toward the ruling Argentine junta had soured noticeably after each of Mr. Haig's two missions to Buenos Aires.

Mr. Haig and some members of his party were said to have stated at meetings that their impression of the junta was that they were "a bunch of thugs" with no clearly in charge and with each trying to outdo the other in being tough. Asked if they were conveying this information in order to put pressure on Buenos Aires and London for further compromises, the officials responded that they were simply stating the facts.



The harbor of Grytviken, on the northeast coast of South Georgia, near which the British Defense Ministry said British troops landed. A disused whaling station is in the foreground.

The officials said that the administration did not have a good idea of exactly what Britain and Argentina would do after the cessation of U.S. mediation efforts.

But the judgment inside the administration seemed to be that Argentina would decline to engage at sea and that the British armada did not have the strength for a successful landing on the main islands other than South Georgia.

The estimate of the U.S. Navy is that Britain cannot sustain an armada of this size in the high seas and cold weather of the South Atlantic for too long. The officials said that neither London nor Buenos Aires had indicated what they will do.

But the view in the administration appears to be that time in the coming weeks is on the side of Argentina. Over the longer term, with the Argentine economy already in what officials describe as a shambles and with the effects of the economic embargo imposed by the European Economic Community setting in, and with the United States likely to join the embargo, Britain's position would improve. In other words, the officials seemed to be saying that over the

London Says Mediation By Haig Is 'Still in Play'

From Agency Dispatches

LONDON — British marines landed on South Georgia Sunday and recaptured the port of the Falklands dependency from Argentine troops, who ran up the white flag of surrender, Defense Secretary John Nott announced Sunday night.

Standing next to Prime Minister Margaret Thatcher outside No. 10 Downing Street, Mr. Nott said that British forces "have successfully taken control of Grytviken," the island's main port on the northeast coast.

He told reporters that British forces were landed by helicopter and met little resistance. There were no British casualties, he said.

Authoritative sources said about 12 British marine commandos from the Special Boat Service were landed from a submarine on Thursday and reconnoitered Argentine positions ahead of the main landing Sunday.

'Still in Play'

Despite the landing, senior British officials said that the peace mission of U.S. Secretary of State Alexander M. Haig Jr. to mediate a diplomatic settlement was still alive.

"The Haig mission is still in play," said an aide of Mrs. Thatcher, who, throughout the crisis, has emphasized her strategy was to back diplomatic efforts with military might.

It was the first time that the British Navy had been engaged in hostile action since an abortive attempt to take control of the Suez Canal in 1956.

The encounter Sunday was the first clash since Argentina seized the Falkland Islands on April 2 (1,280 kilometers) east of the main Falklands group, the following day.

Earlier Sunday, the British made a helicopter assault on an Argentine submarine in the port.

The ruling Argentine military junta said in a communiqué Sunday that the 140 Argentine troops

on South Georgia were holding out against "intense shelling" from British naval units and machine gun fire from the air.

Local news reports that could not immediately be confirmed said several Argentines were injured, two seriously, in the attack on the submarine. The submarine usually carries a crew of between 82 and 84 and is one of four in the Argentine Navy.

The British Defense Ministry said the landing began "at first light" near the harbor at Grytviken, on the island's northeast coast.

A British task group engaged in operations off South Georgia detected an Argentine submarine close off the coast near Grytviken, the statement said. "The submarine, which has been damaged, is believed to be the Santa Fe."

"Helicopters were sent to engage [the submarine] in order to safeguard our ships and the men aboard," the statement said.

Argentine naval sources said on Saturday that two British frigates had been spotted 50 miles off South Georgia, but said that, because of high seas in the area, they would be unable to take the island.

'Right of Self-Defense'
Britain had warned Argentina Friday that any Argentine surface vessels, submarines or planes approaching the British armada would be open to attack. Argentina responded to the warning by saying it would exercise its "right of self-defense."

British officials emphasized that the attack on the submarine and the landing on South Georgia did not mean Britain had declared war on Argentina.

Prime Minister Margaret Thatcher went to Windsor Castle Sunday and met Queen Elizabeth, who as British head of state must sign declarations of war. But a spokesman for the prime minister later emphasized, "There is no declaration of war."

The monarch's second-eldest son, Prince Andrew, is a helicopter pilot with British forces in the South Atlantic, but it was not known if he saw action Sunday.

Foreign Minister Nicanor Costa Méndez of Argentina was asked in New York after arriving from Buenos Aires Sunday if the attack meant that Argentina and Britain were at war. "I suppose that technically we might be at war," he replied.

He left immediately for Washington where he was to meet with Mr. Haig. Foreign Secretary Francis Pym of Britain returned to London over the weekend after discussions with Mr. Haig that apparently produced no progress in the crisis.

On arrival in Washington, Mr. Costa Méndez was asked if the fact that shots were fired would end the effort for a diplomatic settlement. "There is never an end to diplomacy," he replied.

Delivering Supplies
The Argentine government statement said that the attack on the submarine took place Sunday while it was unloading supplies for 30 scrap merchants dismantling a disused whaling station. It described the British attack as a violation of United Nations Security Council Resolution 502 on the Falklands dispute.

It said a submarine on the surface lacked any means to defend itself. The submarine had been landing supplies, medicine and mail for the scrap merchants, it said.

In mid-March a group of Argentines landed on the island to dismantle an old whaling station, sparking the diplomatic row that led to the seizure of the Falklands.

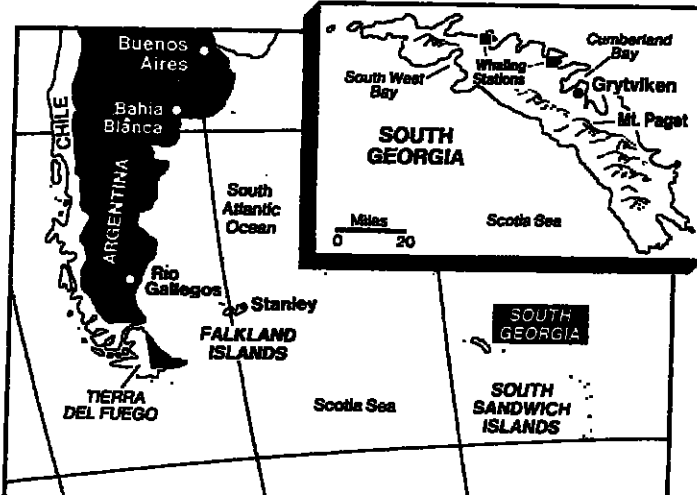
The island was a whaling base in the early 1900s but in recent years had largely been given over to penguins and scientists with the British Antarctic Survey Team.

The headquarters of the survey team in Cambridge said Sunday that 13 scientists and two British women filmmakers were still on the island but were outside Grytviken.

U.S. Emphasizes 'Urgency'
WASHINGTON (AP) — The State Department said Sunday that the British attack "demonstrates the gravity of the situation and the urgency of a diplomatic solution" to the Falklands crisis.

Journalists Charged
BUENOS AIRES (NYT) — The Argentine authorities have in court accused three British journalists of espionage.

The charges were lodged on Friday in the city of Ushuaia on Tierra del Fuego.



The New York Times

long term Britain's position in the Falklands is untenable, but that despite this U.S. interests demand unequivocal support for London at some point.

The officials were quick to add that U.S. support would not extend to engaging in military conflict in any way and would be restricted to helping with supplies

and intelligence, as is now reportedly being done, and with diplomacy.

Members of the Haig party were said to have found the junta members moved mainly by deep suspicion of the United States and their conviction that Washington had

(Continued on Page 2, Col. 8)

Israelis Complete Sinai Withdrawal

By David K. Shipler
New York Times Service

JERUSALEM — In a somber mood, Israel withdrew the last of its soldiers from the Sinai peninsula Sunday, leaving the desert wilderness to Egypt as stipulated by the first treaty of peace between Israel and an Arab state.

Defense Minister Ariel Sharon pledged that it would be Israel's final territorial concession for peace, and he promised a new drive to expand Jewish settlement on the occupied West Bank and Gaza Strip.

The turnover of the 7,500 square miles (19,500 square kilometers) of territory, representing the last third of the peninsula under Israeli control, was accomplished without fanfare, a reflection of Israel's sadness and disquiet.

There were no joint Israeli-Egyptian ceremonies. Shortly after dawn, a single Israeli flag, bearing a blue Star of David against a white field, was lowered at Sharm el Sheikh, the southern outpost

that commands the strategic approach to the Strait of Tiran and the Gulf of Aqaba.

The troops wept and sang Israel's national anthem. Then they boarded trucks and buses for the journey north. Two formations of Kfir jet fighters made a final sweep low over the rugged coastline and went home.

Several hours later, the Egyptians raised their flag at Sharm el Sheikh and at Rafah, on the Mediterranean coast, near the chain-link fence that marks the new international border and divides the city. Egyptian runners brought torches lit in Cairo. A band played, colorful carpets were set out and flowers were piled up. President Hosni Mubarak of Egypt telephoned Prime Minister Menachem Begin of Israel, officials reported, and both men pledged their determination to keep their countries in a state of peace.

Mr. Begin and his wife, Aliza, (Continued on Page 2, Col. 7)

Egyptians Emotionally Unfold Flag

By David B. Ottaway
Washington Post Service

RAFAH, Egypt — The red, white and black flag of Egypt was unfolded Sunday over the northern and easternmost stretches of the Sinai for the first time in 15 years, marking the end of Israel's occupation of the peninsula and the beginning of a new era in Israeli-Egyptian relations.

In a simple, emotional 30-minute ceremony in Rafah, the Egyptian governor of North Sinai, Youssef Abu Taleb, hoisted the flag as a small crowd of local and federal dignitaries sang Egypt's national anthem and shouted "Long live Egypt."

Before raising the flag, Mr. Taleb said, "Thanks be to God for the return of this precious part of our land to mother Egypt. I feel that I am not alone today. With me are the spirits of the martyrs of people and they are led by Anwar Sadat, the man who gave his life for this moment. It was his decision of war and then his decision of peace that made it possible."

Mr. Taleb was referring to the assassinated president's decision to launch the last war against Israel in October, 1973, and then his his-

toric trip to Jerusalem in November, 1977, to make peace with Israel.

While the flag was being hoisted in Rafah and in Sharm el Sheikh in the far south of Sinai, President Hosni Mubarak was laying a wreath at Sadat's burial place at the tomb of the unknown soldier in a Cairo suburb near where Sadat was killed last October by Muslim extremists.

Mr. Mubarak had ordered low-key celebrations of the final Israeli withdrawal out of sensitivity for Israel's feelings at the loss of not only conquered land but a number of settlements in the northern Sinai.

Evidence of the agony of that withdrawal could still be seen as the flag-raising ceremony near Rafah took place. In the midst of it, two Israeli jeeps and a truck passed through the crowds carrying an Israeli settler who had apparently escaped from nearby Yamit, the last Israeli settlement to be dismantled by the army after weeks of strong opposition from 2,000 Israelis who opposed the withdrawal.

An hour and a half before the ceremony began, an Israeli heli-

copter landed alongside the road outside the village of Sheikh Suaid, a few miles west of Rafah. Those aboard were reportedly looking for 10 to 12 other settlers who were still unaccounted for and apparently hiding in and around Yamit.

Under the terms of the Egyptian-Israeli peace treaty signed in Washington three years ago, Israel was to withdraw from the final portion of the Sinai no later than midnight Sunday.

The raising of the Egyptian flag took place at the grounds of the new border post Egypt is building on the main coastal road outside Rafah, about 200 yards from the old 1966 international boundary between Egypt and what is now the Israeli-occupied Gaza Strip.

Most of the crowd, a mixture of Palestinians and Egyptians, came from Rafah and El Arish, the Sinai's main city and capital 27 miles to the west.

One group, chanting "No more Israelis after today," tried to storm the grounds where the ceremony was being held.

On the road between El Arish and Rafah, Sinai residents drove up and down waving Egyptian flags and shouting.

INSIDE

Is Peking Dying?

The birds disappeared 25 years ago, then the grass and shrubs for reasons that could only have made sense in China at the time. Now, spring in Peking is much like winter, bald and birdless. A chain of man-made and natural disasters has turned China's capital into an ecological basket case. Page 5.

Salvador Impasse

The Reagan administration, which hailed the March 28 elections in El Salvador as a victory for reform over revolution, now is confronted by a Salvadoran assembly completely controlled by rightists who are adamantly opposed to those reforms. A News Analysis, Page 3.

Aid to Guatemala

The United States reportedly has decided to end a four-year freeze on arms sales to Guatemala after signs that a coup last month improved human rights conditions. Page 3.

Soviet Economic Growth Is Slow

By Harry Trimborn
Los Angeles Times Service

MOSCOW — The Soviet Union failed to meet industrial growth targets during the first quarter of this year with "serious shortcomings" experienced in production of metal, consumer goods, meat, milk and other products. Pravda has reported.

Citing the findings of the Council of Ministers, the Communist Party newspaper said Saturday that industrial production from January through March grew 2.1 percent compared with the same period last year.

Shortcomings
The first quarter growth, said to be among the lowest in recent years, made it unlikely that the economy would achieve the 4.7 percent growth planned for 1982. It was also lower than the modest production growth predictions of Western experts.

However, the council reported that the standard of living increased with the average monthly salary of office and industrial workers boosted by 2.4 percent to the equivalent of about \$250 a month.

"You know, there really is something magic about the marketplace when it's free to operate," Mr. Reagan said. "As the song says, 'This could be the start of something big.'"

The president has resisted pleas by congressional leaders and some of his staff to back away from his package of huge tax cuts and military spending in the face of spiraling federal deficits. He reminded his listeners Saturday that on July 1, "you'll start paying 10 percent less income tax on what you earn."

Cranston Reply
Sen. Alan Cranston of California, who gave the Democratic Party's formal response to the Reagan talk, said that it is the Federal Reserve Board's policy of tight money, "a policy which the president supports, that is primarily responsible for those high interest rates."

Sen. Cranston, who is considering a 1984 presidential bid, said that the oil glut, bumper farm crops and tight money — not Mr. Reagan's economic plans — have lowered the inflation rate. "The harsh reality is that President

The problems, according to the reports, resulted from what Western experts say are enduring shortcomings in Soviet industry — labor inefficiency, poor quality and inefficient capital investment in new projects.

In an apparent effort to overcome labor shortages, production of industrial robots for use on assembly lines and other manufacturing activities increased dramatically. Robot production totaled 1,125 units in the first quarter of this year, an increase of 190 percent over the comparable period last year.

The Council of Ministers, according to Pravda, called upon the heads of individual ministries to "thoroughly analyze" their operations and take steps "for the elimination of the shortcomings that have been allowed."

Appeal to Farmers
It also called for "rigid economy" in the use of fuels and other energy sources and raw materials.

The agricultural sector has been hit hard by three successive poor harvests. This has resulted in large imports of feed and grain shipments, mainly to sustain livestock production.

The council called for boosting agricultural production through more efficient use of farm machinery, fertilizer and other means. It appealed for an increase in production on private agricultural plots, which account for 3 percent of total arable land in the Soviet Union and about 24 percent of total farm production.

There has recently been criticism of widespread waste in the use of fertilizer, partly as a result of inadequate storage facilities.

Meat production on state enterprises fell slightly to 2.1 million tons during the first quarter from the corresponding figure for 1981. Butter was down from 179,000 tons last year to 171,000 tons.

Production also fell or stagnated in key industrial sectors. Steel production totaled 36.8 million tons during the first quarter, compared to 38.1 million tons last year.

The production of coal, despite the introduction of new equipment and pay incentives, remained the same at 186 million tons. Automobile and truck production fell from 557,000 units in the first quarter last to 542,000 in the quarter this year.

Ronald Reagan is presiding over the decline of the American republic," Sen. Cranston said. "He is not merely presiding over the decline, he is leading it and contributing to it."

In discussing the underground economy, Mr. Reagan said he was sure that those who avoid taxes by dealing in cash are "honest people in most of their activities. They just have a double standard where taxes are concerned. They can be the friendly neighborhood fix-it man, a mechanic, craftsman or a member of the professions."

"As we struggle to trim government spending, he said, 'it's hard not to think of how close that unpaid tax could come to wiping out the deficit.'"

On tuition tax credits, a proposal that Sen. Cranston noted is expected to die without congressional action this year, the president said the public school lobby had protested that the aid would benefit students attending preparatory schools. But Mr. Reagan said that most of the schools are church-related and the students are from families earning less than \$25,000 a year.

The president cited cases in Ohio and Indiana where lowered interest rates spurred new car sales as proof that "not everyone out there in the marketplace is afraid." Auto dealers in the Youngstown-Warren area of Ohio sold 2,200

cars and trucks in the first 20 days of March after local bankers lowered interest rates to 12.9 percent, he said. In the first three weeks of February they had sold only 344,

he said.

Hursel C. Disney, chairman of the First National Bank and Trust of Plainfield, Ind., a small town near Indianapolis, lowered interest rates to make \$2 million available for car and truck loans, with similar results, Mr. Reagan added. Mr. Disney could not be reached for comment.

Mr. Reagan also noted that General Motors, which he did not identify by name, has lowered interest rates at its lending operation to 12.8 percent until May 31.

U.S. hints it will not take the blame at the Versailles summit for high interest rates. Page 7.

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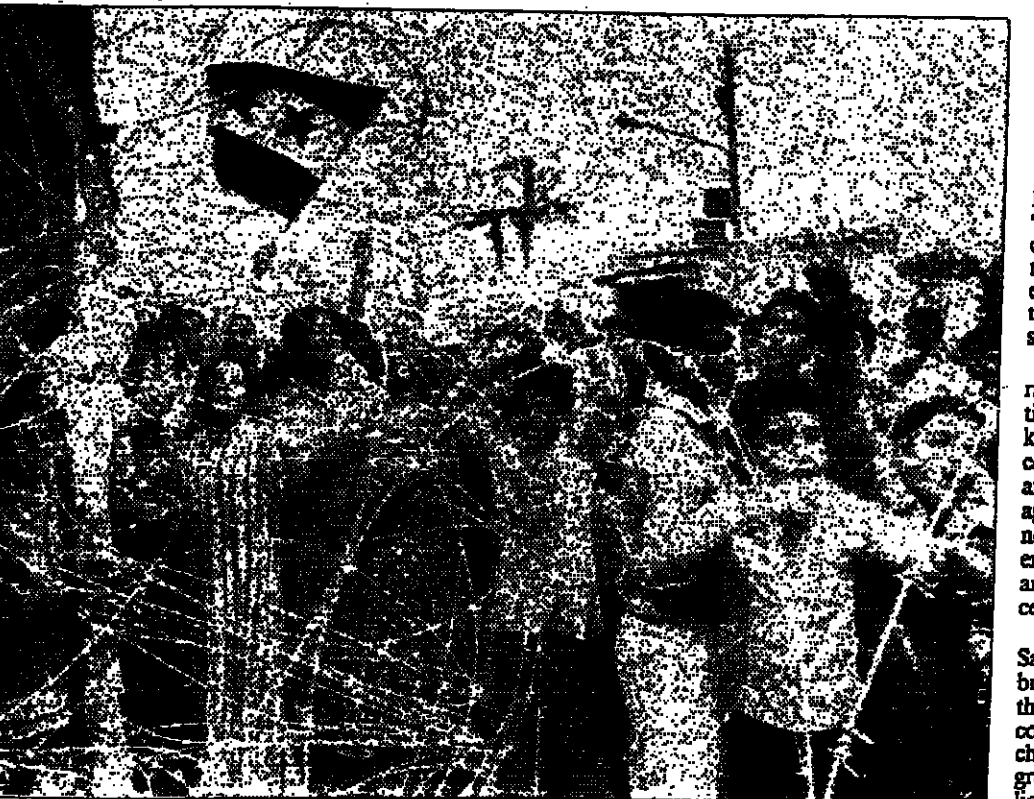
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Arabs on the Egyptian side of the border waved the Egyptian flag Sunday in the divided town of Rafah after the Sinai was returned to Egypt. Half of Rafah will remain under Israeli control.

Qadhafi Is Going to Athens Friday As Greece Strengthens Arab Ties

By Paul Anastasi
New York Times Service

ATHENS — Col. Moamer Qadhafi, the Libyan leader, is making an official visit to Greece Friday in an attempt to establish a bridge with Western Europe and to blunt U.S. efforts to isolate him internationally, government officials say.

Col. Qadhafi visited Austria recently, but this will be his first official visit to a country that is a member of North Atlantic Treaty Organization and the European Economic Community.

For the governing Socialists, the reserved acceptance of Col. Qadhafi's overtures is said by officials to represent an attempt to win economic advantages and

prove their claim of following a policy independent of the West.

An official of Premier Andreas Papandreu's government emphasized that the Libyan leader had asked to be invited to Greece.

The official, who asked that his name not be used, said Athens had planned to delay the visit as long as possible but that acceptance became much easier after Col. Qadhafi's official visit to Austria last month.

Western diplomatic sources said NATO and the Common Market did not favor the visit "because it helps give Qadhafi respectability."

A government official said the Qadhafi visit should be seen as part of Greece's effort to expand its already close relations with the Arab world, a policy initiated by

the former conservative government.

"But whereas the last government wanted only economic relations with the Arab countries, we want closer political ties," the government official said. "We see ourselves as the bridge between the Arabs and Europe."

Despite the Qadhafi visit and a lavish welcome recently given Yasser Arafat, the leader of the Palestine Liberation Organization, and the granting of full diplomatic status to the PLO, the government asserts it is being careful not to unnecessarily upset its NATO and Common Market partners.

"Greece's policies are not really that different from other Western countries," the official said, recalling the Common Market's support for the establishment of a Palestinian state. "Greece is just playing an avant garde role with the Arabs, which should not be misinterpreted. We have made it clear from the start that the security and existence of Israel has never been put into question by Greece."

Problems Persist

The drive to establish closer economic relations between Greece and Libya began with a economic cooperation agreement in 1976. But practical difficulties have persisted, and Athens will no doubt seek to resolve them during Col. Qadhafi's visit.

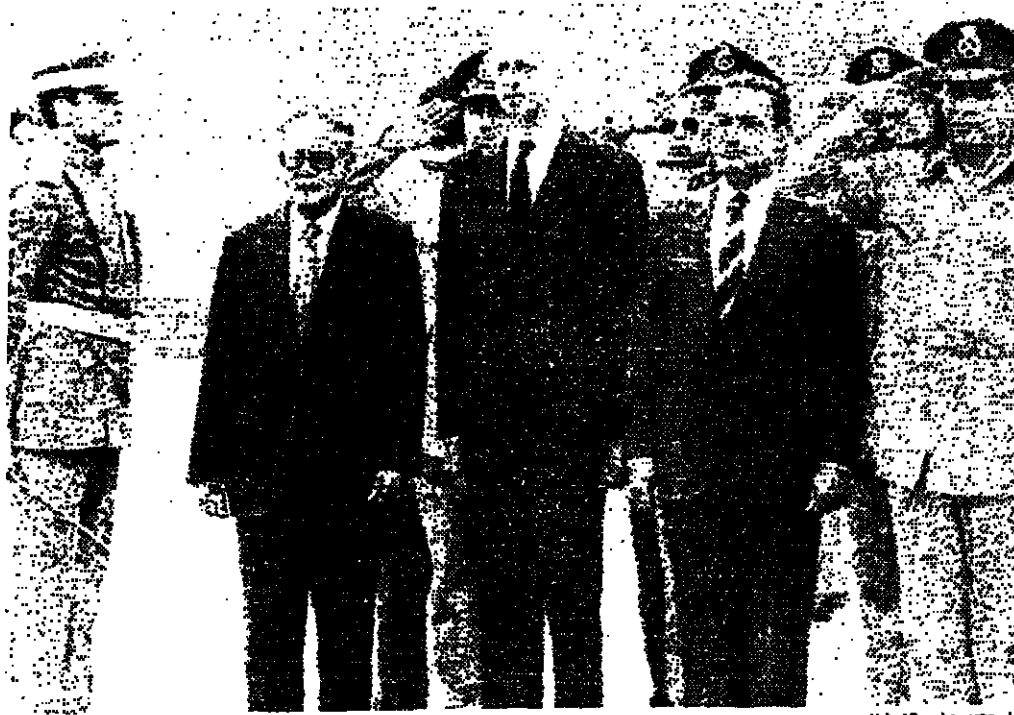
Among the difficulties were the failure of attempts to set up a direct shipping line between the ports of Piraeus and Benghazi and a joint fishing and trading company.

Furthermore, Greek fishing trawlers are constantly challenged by the Libyans, and Greek sailors have been imprisoned for many months after venturing into 200-mile territorial waters claimed by Libya.

Of greater concern is that Tripoli has not paid the hundreds of millions of dollars owed to Greek engineering companies that have fulfilled contracts in Libya. The Libyans have offered to pay in oil, an offer Greece rejects because Tripoli is calculating its crude oil at much higher prices than those of the international market.

Diplomatic sources say Libya is seeking a package deal under which Athens would provide agricultural products, pipelines, construction materials and light arms in return for Libyan oil and more engineering contracts. Greece appears unwilling to accept such a deal, since oil supplies are now plentiful.

Despite the difficulties, diplomatic sources say Greece still attaches considerable importance to its economic ties with the volatile Arab nation. Trade between the two countries last year approached \$300 million, and Libya is the second largest Arab importer of Greek goods after Saudi Arabia.



President Hosni Mubarak, second from right, took part Sunday in a Cairo ceremony marking the return of the Sinai. To his left is the defense minister, Field Marshal Abdel-Halim Abu Ghazala; to his immediate right is Premier Fawzi Mohieddin, then Speaker of Parliament Sofi Abu Taleh.

Reactions Reflect Arab Divisions Over Welcoming Egypt Into Fold

By Edward Cody
Washington Post Service

BEIRUT — The Arab world, reflected in its government-controlled newspapers and radios, split into opposing camps Sunday in its first reactions to Israel's final withdrawal from the Sinai.

The comments provided a foretaste of a widely predicted debate in coming months over the question of whether Egypt should be welcomed back into the Arab fold, now that it has recovered all its territory in return for signing a peace treaty with the Jewish state that has been the Arabs' main enemy for 34 years.

They divided roughly between the radical Arab states and groups — such as Syria, Southern Yemen, Algeria, Libya and the Palestine Liberation Organization — and the rest of the Arab world, which is more closely aligned with Saudi Arabia and conservative states along the Gulf.

A cartoon in Beirut's leftist newspaper al-Safir captured the radicals' mixture of indignation and resignation. A buck-toothed Prime Minister Menachem Begin was shown driving a tank, as President Hosni Mubarak of Egypt and his foreign minister, Kamal Hassan Ali, stood by, hunched over in the Sinai.

"Just forget what you've seen us do here," the Begin caricature shouts down from the turret. "You are going to have plenty to see in Lebanon, Palestine and the Golan."

The humor betrayed widespread concern in Beirut that the Israeli

leadership may be planning to move from the first phase of Camp David toward intensified attacks on Palestinian guerrillas in Lebanon, increasingly harsher rule in the West Bank and Gaza, and further settling of the occupied territories to prevent their return to Arab rule.

Concerning Egypt, PLO officials say they are aiming at organizing a summit to pressure all Arab states into adopting a common stand against readmitting Cairo into the Arab fold as long as it remains true to its Camp David commitments.

This would exclude it from any Arab military equation. Although conservative Arabs may move back toward Egypt one by one, the PLO officials add, in the atmosphere of an Arab summit such decisions would become more difficult.

Syria, the radicals' major power, has denounced the Camp David agreement that provided for the Israeli turnover of the Sinai in editorial and broadcast over the past several days. Al-Ba'ath newspaper of the ruling Ba'ath Party, renewed the criticism Sunday, warning to pursue opposition to Egypt and its separate peacemaking.

"Although there are some Arab

countries that already are preparing to welcome Egypt back after today's withdrawal, the Egypt of Mubarak is weighed down with the shackles of Camp David and bound by the United States' occupation forces," the newspaper said.

But the Arabs who succeeded in frustrating the principal targets of Camp David — that is, Syria, the Palestinian revolution and the masses in the occupied territories — these Arabs remain ready to oppose the attempt to generalize Camp David in the upcoming era.

On the side of the moderates, signs of willingness to accept Egypt anew have emerged with particular clarity from Saudi Arabia in recent days. News agencies reported, for example, that Egyptian newspapers went on sale in Saudi cities Saturday for the first time since the Egyptian-Israeli peace treaty was signed in March, 1979. The papers sold out swiftly.

"The return of Egypt to the Arabs should not be the subject of any haggling," said the official Saudi newspaper al-Riyadh. "Egypt constitutes the heart of the Arab world, and therefore should be recognized as an indispensable necessity under all circumstances."

WORLD NEWS BRIEFS

Mitterrand Defiant on Latin America

The Associated Press

COPENHAGEN — President François Mitterrand of France has said that "it is just too bad" if the Reagan administration does not like his policies in Central America, a Danish newspaper reported Sunday.

"I prefer to be straightforward and say no to the Russians if I feel like it — and to the Americans, too, of course, if it is necessary," Mitterrand told Danish reporters for the Berlingske Tidende newspaper in Paris. He is to arrive in Copenhagen Wednesday for a three-day state visit.

The Reagan administration objects to France's friendly ties with Nicaragua, which it has accused of funneling Cuban arms to leftist guerrillas in El Salvador. France opposes U.S. military aid to the Salvadoran government, and has called for a negotiated settlement with the country's leftists. In his interview with Berlingske Tidende, Mr. Mitterrand repeated his contention that the U.S. stance is pushing the leftists toward the Soviet Union and Cuba.

Schmidt, Genscher Discuss Cabinet

The Associated Press

BONN — Chancellor Helmut Schmidt met Sunday with Foreign Minister Hans-Dietrich Genscher to discuss planned Cabinet changes in their coalition government, officials said.

Mr. Genscher, head of the Free Democrats, junior partners in the Bonn coalition, has already made clear that there would be no Cabinet changes for his party, which holds four key ministries — Foreign, Interior, Economics and Agriculture — in the 16-member Cabinet. Mr. Schmidt plans three Cabinet changes for his Social Democratic Party, party sources said.

Informed sources, who did not want to be identified, said Postal Minister Kurt Gscheidele would retire and be replaced by Finance Minister Hans Eichel. Mr. Eichel said last week that he had asked Mr. Schmidt to be relieved of his financial post because of ill health. Health and Family Minister Anja Huber resigned just before Easter after Mr. Schmidt failed to express confidence in her following widespread speculation that she would be removed in a Cabinet reshuffle.

China Criticizes France-Vietnam Ties

Reuters

PEKING — China on Sunday criticized economic assistance sent to Vietnam by France, saying the French government's sympathy for the Third World did not justify helping a country militarily allied to the Soviet Union.

The criticism appeared in a commentary by the Chinese news agency two weeks after France agreed to reschedule Vietnamese debts, unofficially estimated at \$300 million. Other aid agreements also were arranged.

The commentary said the Socialist government paid more attention than other Western countries to the appeals of Third World countries, and then it added: "But Vietnam is not an ordinary Third World country. It is militarily allied with the Soviet Union. It is committing flagrant aggression against Kampuchea [Cambodia] and thereby arousing strong condemnation from Third World countries and the majority of other states."

Police Enforce Lebanon Cease-Fire

The Associated Press

BEIRUT — Lebanese police enforced a cease-fire between rival leftist militias in Tripoli after two days of street battles that left 15 killed and 20 injured, a police spokesman said.

The clashes, between the Syrian-aligned Communist Party and the pro-Israeli Ba'ath Party, followed the assassination Thursday of the Ba'ath military commander in Tripoli. Among the victims was a family of 11, who died in a fire touched off in their home by a rocket.

In Beirut, a bomb caused heavy damage Saturday to the office of the French news agency Agence France-Presse, an agency reporter said. There were no injuries.

Manila Says Rebels Kill Village Aides

United Press International

MANILA — Communist guerrillas have killed 147 village officials during the last two weeks, hoping to disrupt local elections May 17, press reports said Sunday.

In a move to prevent further violence, Lt. Gen. Fidel V. Ramos, chief of the paramilitary Philippine constabulary, said he had ordered constables and militiamen to clamp down on the activities of the Communist New People's Army in rebel areas.

Gen. Ramos told a local newspaper that the 147 officials of village citizen assemblies, called "barangays," had been killed for refusing to cooperate with the Communists. The nation's 42,000 barangays, which administer villages and districts in the countryside, provided the main vehicle for President Ferdinand Marcos's eight-year emergency rule by approving constitutional changes.

Israel Finishes Withdrawal From Sinai Without Trouble

(Continued from Page 1)

also sent a telegram to Jihan Sadat, the widow of the late President Anwar Sadat, whose bold visit to Jerusalem in November, 1977, began the Israeli-Egyptian peace process. Sadat was assassinated last October.

"Our hearts, madame, go out this day to you and the children and grandchildren," the Begin wrote. "Anwar Sadat, of blessed memory, should have been with us to see the glory of his efforts to make peace and achieve reconciliation between the good peoples of Egypt and Israel. To prove that his memory did not die, but will live forever in the hearts of women and men of good will, we all have to work for the sacred cause. No more war, no more bloodshed, peace, salam, shalom, between our nations. We embrace you, our dear friend."

The withdrawal, which ended nearly 15 years of Israeli control over the peninsula, touched deep Israeli doubts about Egypt's commitment to peace. The pain was compounded during the last week by the angry resistance of about 1,200 militant Jews, who barricaded themselves into apartments and onto roofs in the northern Sinai town of Yamit, threatening suicide and violence against Israeli troops who tried to evict them.

In the end, the troops handled the demonstrators gently, and there was no bloodshed, for which Mr. Begin praised Mr. Sharon on Sunday. But as the army then ordered Yamit destroyed by bulldozers, the country felt the weight of seeing the first voluntary abandonment of a Jewish settlement in the history of Zionism. In their anguish, many Israelis have vowed that such withdrawal of settlements will never happen again, which means they would eliminate the possibility of a future pullout from the West Bank.

"In Sinai, in Yamit," said Mr. Sharon in an order of the day to Israeli forces, "we have reached the limits of our concessions. We shall turn to strengthening our security, to our development in every sphere. We shall turn to increasing and consolidating our settlements on the Golan Heights, in Judea, Samaria and the Gaza district — settlements that are an integral part of our security, settlements that are a true basis for political plans — all in the framework of the government's avowed policy."

The government uses the biblical terms Judea and Samaria for the West Bank.

Mr. Sharon spoke of the sacrifice that Israel had made. "We are not retreating from Sinai," he said. "We are demonstrating our desire to move forward toward peace."

Administration officials said that Britain and Argentina appeared to want Mr. Haig to continue his mission but that neither was prepared to offer fundamental negotiating demands.

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Portugal Quietly Marks Coups of 8 Years Ago

New York Times Service

LISBON — Portugal on Sunday marked the eighth anniversary of the military coup that led to sweeping liberal changes. But, with the exception of a march and rally sponsored by the Communists, the anniversary was marked by little fanfare.

Some observers had hoped that the anniversary would be celebrated by dismantling the Council of the Revolution, the military watchdog group that has power over the civilian government.

Under a revised constitution, the council is to be eliminated. But unresolved differences over the powers of the president, distributions of some of the council's functions and other matters have delayed the process. The military's agreement to abolish the council and relinquish some authority is not in question, however.

The revised constitution is expected to be approved by a two-thirds majority of the National Assembly this year, ushering in increased civilian control.

Polls show that President Antonio Ramalho Eanes, a general

from a humble background, is more popular than any of the civilian politicians.

In 1980, he was elected to a second five-year term in a landslide victory, although the Democratic Alliance, the governing right-of-center Social Democratic coalition, ran candidates against him, after having supported him the first time.

Gen. Eanes wants to retain his present power and threatened to step down in January if he was stripped of much authority. He hinted that he might start his own political party and run for office. The threat was enough to cause the Democratic Alliance and the Socialist opposition to seek a compromise.

The military and civilian politicians can look back over the last eight years at some solid achievements. During the first turbulent 24 months, the revolution was almost captured by the Communists. But the party has been removed from the Cabinet and reduced to a permanent minority that draws no more than 15 percent to 20 percent of the vote in national elections.

El Salvador: Fresh Problems for Washington

Opposition of Rightist Victors to Reforms Throws U.S. Role Into Question

By Barbara Crossen

New York Times Service

WASHINGTON — The Reagan administration, which hailed the March 28 elections in El Salvador as a victory for reform over revolution, now faces a Salvadoran assembly completely controlled by rightists adamantly opposed to those reforms.

The efforts that the administration made in the last few weeks to head off such a result raise questions not only about the efficacy and propriety of U.S. involvement in the Salvadoran political process, but also about whether the administration has been acting in the best interests of the Salvadoran centerists whom it publicly supports.

At stake may be the future of the Christian Democratic Party, the role of restive junior army officers and the hopes for a negotiated settlement to bring the armed left opposition into the Salvadoran political mainstream.

NEWS ANALYSIS

The Reagan administration, having promoted an election in which only parties to the right competed with the Christian Democrats, subsequently found itself in need of a short-term solution to the emergent rightist leadership. With that tactical goal in mind, it has supported the formation of an interim government in which the centrist Christian Democrats would coexist with the coalition of rightist parties in control of the newly elected Constituent Assembly.

Exiled Salvadoran leftists and some opponents of administration policy contend that, in taking this position, the Reagan administration may have created a situation in which there will be no center and no moderate opposition left in El Salvador.

"The United States has been giving the Christian Democrats suicidal advice," said Robert E. White, the former U.S. ambassador to El Salvador who was dismissed by the Reagan administration in February 1981, speaking recently at a foreign policy symposium in New York.

"The Christian Democrats have already felt humiliation," Ruben Zamora, a leader of the political front of the guerrilla opposition, said last week on a visit to Washington from his base in Mexico.

Mr. Zamora, former ally of José Napoleón Duarte, the Christian Democrat who has been president of the junta, said that deliberately insulting posts had been offered to Mr. Duarte's party in negotiations with the rightists who, together, command a majority in the Salvadoran assembly and will have the power to curb the interim government.

'Too Much to Swallow'

"There is already a split in the Christian Democratic Party," said Mr. Zamora, who is political and diplomatic coordinator of the Democratic Revolutionary Front. He added that for some, any working alliance involving the National Constituent Party, the traditional government party that he said was responsible for the murders of Christian Democratic officials in the past, was "too much to swallow."

The National Constituent Party is part of the rightist coalition that won control of the assembly Thursday.

Whether a centrist interim president and a balanced cabinet are now named in El Salvador, politicians both there and in Washington fear that the rightist-controlled assembly will be in a position to keep that government powerless, making the assembly, in effect, making the rightist-controlled administration policies, accepting that analysis, they will not press harder to cut off U.S. aid to El Salvador unless its interim government agrees to a cease-fire in the guerrilla war and negotiations with the left.

With Christian Democratic centerists forced out of the right-run coalition, younger officers in the Salvadoran Army may be tempted to take military action against the

government in the spirit of the 1979 coup that toppled the last dictatorial Conciliation Party-military government and opened the way to change.

There are reports among exiles of a letter now circulating within the army calling for a return to 1979 ideals. The letter, which is reported to name officers thought to be acting contrary to those ideals, pointedly does not criticize Col. Adolfo Arnaldo Majano, one of the 1979 coup leaders who subsequently broke with the junta and is now in exile in Mexico.

Col. Majano has been traveling around Latin and North America in recent months, seeking support for his belief that the institution of the army is the best guarantor of Salvadoran reform.

The Reagan administration, meanwhile, led by its ambassador in San Salvador, Deane R. Hinton, has been trying to portray rightist leaders, among them Roberto D'Aubuisson, the former military officer who heads the National Republican Alliance, as a new Constituent Assembly, as amenable to democratic government and understanding of Washington's wishes.

Rep. Michael D. Barnes, the Maryland Democrat who is the chairman of the House subcommittee on Inter-American Affairs, said after a recent visit to El Salvador that Mr. D'Aubuisson was talking "as if he had just completed a course at the League of Women Voters."

Hinton Comments

SAN SALVADOR (NYT) — Ambassador Hinton, said Friday that the selection of a rightist coalition to lead the new Constituent Assembly would not affect the Reagan administration's policy toward the country.

Mr. Hinton said that the administration's support of the government "will continue in any case." He said he "would certainly hope" that Congress would not suspend military and economic aid to El Salvador as a result of the vote.

"I think that's an example of democracy at work," Mr. Hinton said at a news conference. "The elected representatives of the Salvadoran people, in their Constituent Assembly, expressed their preference."

Mr. Hinton bridled at suggestions published this week in the Salvadoran press, that the United States was trying to impose the Christian Democrats on the government. He described such suggestions as "an insult to the Salvadorans."

"This is a sovereign country, it is a free country," he said. "The leaders of this country make their decisions in their way."

U.S. to End Arms Freeze On Guatemala

Administration Cites Rights Improvements

By Alan Riding

New York Times Service

WASHINGTON — The United States has decided to end a four-year freeze on arms sales to Guatemala, after signs that a coup last month improved human rights conditions, according to administration officials.

The officials said that as a gesture to the month-old regime of Gen. Efraín Ríos Montt, the United States planned to approve the sale of \$4 million in spare parts for U.S.-made helicopters being used by the Guatemalan Army against leftist rebels.

The United States is also hoping to restore \$50,000 in military training funds for the current fiscal year, and to resume support for loans to Guatemala in the Inter-American Development Bank and other international financial institutions. It has already requested \$250,000 in training funds for the 1983 fiscal year.

In March, 1977, after the Carter administration criticized Guatemala's human rights performance, the Guatemalan government renounced U.S. military assistance. Congressional sources said the new Guatemalan regime had not requested a resumption of arms deliveries, and seemed more interested in construction equipment such as bulldozers to be used by engineering battalions.

There is opposition to the move in Congress among liberal members who feel that the administration is moving too quickly to embrace the new regime.

But it is unclear whether Congress is in a position to slow any rapprochement with Guatemala. Rep. Michael D. Barnes, chairman of the House Foreign Relations subcommittee on inter-American affairs, said there was an informal agreement with the administration that Congress could exercise "what amounts to a veto" over any change in policy toward Guatemala. An administration official said there was an understanding to consult with Congress.

Rep. Barnes, Democrat of Maryland, said he has not decided whether to support the resumption of assistance.

Congressional sources said the United States seemed determined to reward the new Guatemalan junta for moving against both corruption and indiscriminate violence since seizing power on March 23.

The sources said that over the past 15 months, the administration had on several occasions indicated its desire to aid the Guatemalan Army, but was unable to act because of opposition both from Congress and public opinion.

However, Thomas O. Enders, assistant secretary of state for inter-American affairs, told a House subcommittee last week that the United States "carefully refrained from backing a regime with a record of serious human rights violations. Otherwise we might never have had a government that proposed to do something about it."

Violence has existed intermittently in Guatemala for three decades, but the situation deteriorated after Gen. Romeo Lucas García took office in July, 1978. Moderate politicians were murdered or forced into exile by rightist gangs, while thousands of Indian peasants were killed by the army in a strategy aimed at destroying the rebels' political base.

Since the coup that deposed Gen. Angel Anibal Guevara, Gen. Lucas García's victorious candidate less than three weeks after elections on March 4, a three-man junta headed by Gen. Ríos Montt has announced moves to dismantle the rightist gangs and to try officials believed responsible for corruption.

5 Killed in Jakarta At Campaign Rally

Reuters

JAKARTA — Indonesian troops shot and killed at least five persons in Jakarta and wounded at least six more in renewed violence Sunday before general elections next month, hospital officials said.

Informal sources said that the shooting occurred when a small group from the opposition Muslim United Development Party stoned pro-government demonstrators at a rally of President Suharto's ruling Golkar Party. But there was no immediate official explanation of the incident and the circumstances of the shooting were unclear.

The Golkar Party's first rally in March ended in widespread arson and rioting in Jakarta.

Key Senator Seeks Consultations Before Inman Successor Is Named

By George Lardner Jr. and Bob Woodward

Washington Post Service

WASHINGTON — A key member of the Senate Intelligence Committee has put the White House on notice that the committee does not have enough confidence in CIA Director William J. Casey's expertise and wants every effort made to give him a qualified deputy.

Sen. Richard G. Lugar said Friday that he and his fellow committee members were stunned by last week's abrupt announcement of the resignation of the CIA deputy director, Adm. Bobby Ray Inman. Sen. Lugar called it a "rather traumatic situation" for those in Congress whose job it is to oversee the intelligence community and make sure it stays within proper bounds.

The Indiana Republican made his remarks at a news conference that he described as intended to "send some signals" to the White House. He emphasized that the committee wants to be consulted before a successor to Adm. Inman is named.

"If this be meddling, so be it," Sen. Lugar declared.

Again and again, Sen. Lugar emphasized that it was Adm. Inman,

not Mr. Casey, upon whom the committee has relied for expert advice on U.S. intelligence activities.

Sen. Lugar, a former Navy intelligence briefing officer who has served at the Pentagon with Adm. Inman, added that in the intelligence business there are "complexities involved that would take more years than Bill Casey" has left to understand. Mr. Casey is 69.

"So," asked a reporter, "you're saying that Mr. Casey doesn't know enough for you to call him on the telephone" and ask for his expert opinion?

"That's right," Sen. Lugar replied.

Goldwater Upset

The Senate Intelligence Committee chairman, Barry M. Goldwater, Republican of Arizona, also was upset on learning of Adm. Inman's decision to resign.

At his news conference, Sen. Lugar noted that Sen. Goldwater and others had hoped to see Adm. Inman appointed CIA director. Adm. Inman was named instead to the second spot, which he reluctantly agreed to take after serving as director of the National Security Agency.

In any event, Sen. Lugar emphasized that it was Adm. Inman,

sized: "Many of us voted for Casey and Inman as a package" — meaning that they supported Mr. Casey because President Reagan wanted him and supported Adm. Inman, an intelligence professional of 30 years, "because he knows more than anyone else what's going on."

Several times, Sen. Lugar suggested that the "system of checks and balances" that has built up around the intelligence community, since the congressional investigations of 1975 and 1976 was at stake.

He said that he had no quarrel with the CIA director's being a "political appointee" whom the president could trust, but suggested that it was vital, in turn, for the deputy director to be an intelligence expert whom Congress could trust.

Adm. Inman, 51, submitted his resignation to the White House on March 22 because, he has since said, he wants to start "a second career" in private industry and "get back to running something" himself. He said Friday that bureaucratic exasperations may have been one of several factors in the timing of his resignation, but added that they had been exaggerated.

Canadian Doctors Seek More Medicare Money

By Henry Giniger

New York Times Service

OTTAWA — Medicare, Canada's publicly financed comprehensive health system, is being battered by thousands of angry doctors agitating for higher incomes.

In Ontario, Canada's largest province, 15,000 doctors have been staying away from their offices or refusing to perform some services, such as prescribing drugs by telephone. Some 5,500 general practitioners in Quebec, the second largest province, are threatening to close their offices for a one-day strike.

'One of the Best'

At issue in both cases is the official schedule for fees that doctors are supposed to charge for medical services; talks between the provincial governments and the medical associations on new schedules have produced no agreement. There is a similar clash in Manitoba, and over the last four years doctors have shown discontent at times in almost every province.

Officials speak of the Canadian health system as "one of the best in the world," but the Canadian Medical Association says the system is underfunded. Doug Geeke, spokesman for the association, said Canada was devoting 7.2 percent of its gross national product to health care. He said that among Western nations only Britain spent

less than this and that the United States devoted about 10 percent of its GNP to health care.

With inflation running high and the federal government anxious to keep its deficit down, the 10 provinces, which are responsible for their own health systems, are undergoing a particularly tight financial squeeze this year. Ottawa has cut the rate of growth of its contributions to the provinces for health care by about 15 percent.

Well before the cut doctors' incomes were losing ground to those of other professional groups, the Medical Association says. It cited tax figures indicating that, between 1971 and 1977, lawyers, dentists and accountants increased their incomes at a much faster rate than doctors. In Ontario, according to an association spokesman, the average net income for a doctor is about \$53,000 a year.

The doctors want their yearly incomes increased to well over \$100,000 in some cases, and Mr. Geeke acknowledged that it was difficult to get support for this from ordinary Canadians making much less.

Minimum Income

Ontario doctors were particularly upset last week when the provincial government tried to impose new fee schedules when negotiations with their representatives broke down. Although there have been further talks since then, many doctors saw the government's move as the start of a process that could lead to state medicine and the transformation of doctors into salaried civil servants.

Most doctors in Ontario and the rest of Canada accept the present system of publicly financed care because it helps to assure them of a minimum income. But in some provinces doctors are billing for amounts beyond those prescribed in the schedules.

Mr. Geeke said that to compensate for low fees, doctors tended to extend their office hours and crowd large number of patients into a day.

D'Aubuisson: The Man Saying the Right Things

By Dial Torgerson

Los Angeles Times Service

SAN SALVADOR — A friend says that Roberto D'Aubuisson organized the political party known here as ARENA "out of the back of a pickup truck" last December. With audacity and skilled help, Mr. D'Aubuisson, in a matter of months, has taken his rightist party from that modest beginning to control of the new constituent assembly. Mr. D'Aubuisson was elected speaker of the assembly in a tumultuous session Thursday night.

ARENA, an acronym for the Spanish for Nationalist Republican Alliance, came in second to the Christian Democrats in the March 28 elections for the new constituent assembly. However, the rightist parties, taken together, outnumber the Christian Democrats in the assembly and used that power to take all the top jobs in the assembly.

Such political power represents a change for Mr. D'Aubuisson, a 38-year-old former army and national guard career officer. In 1980, he was under arrest for plotting a coup against the civilian-military junta led by President José Napoleón Duarte.

Released for lack of evidence — by a legal system rendered impotent by assassinations and death threats against judges and prosecutors — Mr. D'Aubuisson began working within the system.

To many Salvadorans, he was the right man saying the right things at the right time. His clever campaign, assisted by a U.S. advertising agency, employed songs, jingles, slogans, cheerleaders, free soft drinks, bands and the skillful use of television.

Mr. D'Aubuisson is short, slim

and youthful, a man whose cheerful smile and open demeanor belie his menacing reputation. "He looks," said an American visitor, "like he could play the guy next door on a U.S. TV series." Personally fearless, he went into openly hostile areas in a drive for grassroots support. He continued campaigning even after being wounded by a sniper.

Robert E. White, a former U.S. Ambassador in El Salvador, has called Mr. D'Aubuisson a "pathological killer" and said evidence indicated that he was probably responsible for the assassination in 1980 of Archbishop Oscar Arnulfo Romero, an outspoken critic of government repression.

Mr. D'Aubuisson has admitted organizing a vigilante group that subsequently turned into a rightist "death squad." Before advisers cautioned him about his rhetoric, he spoke during the assembly campaign of the need for killing subversives by the tens of thousands to end El Salvador's two-year-old civil war.

ARENA will end the guerrilla war "by whatever means necessary," he told crowds, touting down earlier calls for wholesale killings. But he still spoke in the tradition of *el caudillo*, or the leader, Latin America's man on horseback: "Our liberty will be earned with the red of bloodshed."

Many members of the lower classes voted for ARENA because of Mr. D'Aubuisson's charisma. He appealed to the middle class and well-to-do with promises to halt the reforms of the Christian Democrats, whom he called "the right wing of the Communist Party."

U.S. Anti-Nuclear Drive: A Bang and a Fizzle

By Robert G. Kaiser

Washington Post Service

WASHINGTON — Ground Zero Week, which ended Sunday, caused a loud detonation in some communities and fizzled in others, while extraordinary national media attention brought the issue of nuclear war into tens of millions of American living rooms.

The success of the attempt to educate Americans on the risks of nuclear weapons was not easy to measure, as its organizers acknowledged. "We never offered this

course before," said Roger C. Molander, the former National Security Council official who created Ground Zero after the Soviet intervention in Afghanistan in December, 1979. "We had no idea what to expect."

There were Ground Zero activities in more than 600 communities around the country, from New York City and San Francisco to Marinette, Wis., the small town where Mr. Molander grew up. Events also were held on more than 350 college campuses.

In some communities where national Ground Zero organizers had expected impressive events they found the results disappointing. One of those was Albuquerque, N.M., where a full schedule of rallies, lectures and slide shows was poorly attended. One event on the University of New Mexico campus attracted only two participants.

Similarly, in New Orleans and Baton Rouge, La., and Houston and Austin, Texas, Ground Zero events drew small audiences.

Rigger Turnouts

In other communities, Ground Zero activities drew more attention. A rally in Detroit attracted 2,000 people; in Los Angeles County, 400 mayors and county officials gathered to consider the impact of a nuclear attack in their area.

Nowhere did Ground Zero provoke huge rallies or protests, but that was not its purpose, according to organizers. "We're not talking about big demonstrations in the street, that's not what Ground Zero is about," said Josh Baran,

the San Francisco Bay area coordinator of Ground Zero. "We're talking about educating the public, and that's better done in small groups."

Some San Francisco Bay area events were deliberately kept small. More than 400 people were turned away from a lecture by activist Daniel Ellsberg at the Diablo Valley College.

Mr. Molander said it might take a long time to measure the impact of Ground Zero and related efforts to make Americans more conscious of the dangers of nuclear war. "I'm looking forward to some polls" in the weeks and months ahead, he said.

Mr. Molander intends to keep Ground Zero operating and has begun to plan next spring's activities. He said the book he and his brother, Earl, wrote as part of their educational campaign, "Nuclear War: What's in It for You," is in its fourth printing, with 250,000 copies in circulation. They hope to write another book on the Soviet Union and its approach to nuclear weapons and arms control.

2,000 French Soldiers To Aid Security Police

United Press International

PARIS — Defense Minister Charles Hernu says the government has decided to strengthen the national security force with 2,000 national servicemen to help combat crime and political terrorism in France.

The announcement came 24 hours after President François Mitterrand, at a restricted Cabinet meeting with Interior Minister Gaston Defferre, decided to tighten police measures following the bomb explosion Thursday near the Champs-Élysées in Paris in which a woman was killed and 63 persons were injured. The government said it would tighten border checks and review its policy of granting political asylum.

Mr. Hernu said on Saturday that the 2,000 soldiers will be used as auxiliary troops in the gendarmerie, a paramilitary police controlled by the Defense Ministry.

Syria Accused

The bomb attack Thursday was believed to have been directed against the anti-Syrian Arab weekly Al Watan al Arabi (The Arab Nation). French authorities accused Syria of being behind the attack and immediately announced the expulsion of two Syrian Embassy diplomats, Michel Kassouba, the cultural secretary, left Friday and Commandant Hassan Ali, a naval attaché, flew home Saturday.

Syria has retaliated by expelling the French military attaché and second secretary in Damascus, and

unleashing an anti-French propaganda drive that charged the explosion was engineered by Israel.

French police are also working on a theory that the bomb attack may have been the work of the Venezuelan-born terrorist Carlos, Carlos, whose real name is Ilich Ramírez Sánchez, reportedly is working for Syria.

The bomb in the Rue Marbeuf went off Thursday at the moment that two associates of Carlos were due to appear in court on charges of possessing terrorist weapons. Carlos sent the French authorities an ultimatum on Feb. 26 to free the two within a month or face retaliation.

Political analysts demanded an explanation of why Jacques Vergès, a lawyer specializing in the defense of political extremists, was allowed to warn in court Thursday that French authorities would be responsible for any bloodshed unleashed by Carlos if France jailed the two associates.

Mr. Vergès claimed that under an alleged secret pact with Carlos, the two defendants, Bruno Bréguet, a Swiss national, and Magdalena Kopp, of West Germany, should have been expelled from France after their arrest on charges of possessing terrorist weapons.

Mr. Vergès said Carlos had the right to demand their liberation because the two were not preparing terrorist attacks against French targets. Mr. Bréguet was sentenced to five years in prison, Miss Kopp to four years.



Dennis Wardlow blows on a shell in the 'Conch Republic.'

'Conch Republic,' née Key West, Secedes in Anger Over Traffic Jam

Reuters

KEY WEST, Florida — Key West, located at the southern tip of Florida, has symbolically "declared war" on the United States after the police set up a roadblock to trap drug smugglers and illegal immigrants.

The mayor of Key West, Dennis Wardlow, said "we are seceding from the union since the United States government has seen fit to place a border at Florida City and treat us like a foreign country."

The dispute is over a roadblock set up by border patrols on the 110-mile highway (180 kilometers) linking Key West with the mainland. It was set up without advance notice on April 18, causing large traffic jams. Businessmen complained that this was harming the tourist trade.

In a ceremony in the Key West town square, the Stars and Stripes were lowered and a blue banner emblazoned with a yellow sun and a pink conch shell was raised in its place. Mayor Wardlow declared himself prime minister of the "Conch Republic."

He criticized "an unfair and unfriendly" government in Washington for authorizing the roadblock, which the police said had led to the capture of 34 "undocumented aliens" in two days.

A U.S. judge in Miami has rejected a suit seeking a temporary restraining order on the roadblock after the police assured the court there would be no repetition of the traffic chaos.

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INTERNATIONAL Herald Tribune

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The Sinai Withdrawal

Sand for Peace?

A Job to Finish

True to its word and to its interests, Israel has paid Egypt the final installment of Sinai sand. With this second evacuation in 25 years, it has bought a promising state of peace with its most formidable neighbor. But it does not buy peace of mind.

What might have been a joyous opening of Israel's first recognized boundary became instead a writhing withdrawal and Masada pageant of protest, with Jews hauling Jews from the rooftops and bulldozers burying dreams in the desert. What might have been only a first act of regional reconciliation became instead another occasion for showering terror upon Lebanon. Violence smothered the hopes of decades, while making a historic accommodation look like the final gasp of an exhausted diplomacy.

Arabs and Israelis alike remain bitterly torn about their conditions for peace on the other fronts, all of which are inflamed by the presence of still-disoriented Palestinians. So Sunday's is a separate peace in all but name — the kind that Anwar Sadat warned, in Jerusalem, would never last.

Sadat is gone and his successor seems even more determined to end Egypt's isolation from other Arabs. President Mubarak did not let the Palestinians veto the deal with Israel, but neither will he let Israel dictate his diplomacy concerning the Palestinians. This peace will grow, or it will shrivel.

If they lose this peace, Israel and Egypt would shed another generation's blood for no conceivable gain; even civil war could destroy their economies. Yet they have been unable to secure the peace by enlarging it.

The ambiguities by which they disguised their conflict about the future of the West Bank and Gaza are now exposed. Unmistakably, Israel moves to annex the territory while Egypt edges toward alliance with those who want it for an independent Palestinian state. Only America can still hope to define a middle course and reconcile obligations to Israel and interests in the Arab world.

There is not now much to build on. Prime Minister Begin regards the Sinai withdrawal as the final cession of territory. All his life, possession of the West Bank has been only incidental to security; he sees it as a birthright and has implanted like-minded settlers throughout the territory. In a year or two, they will have made it indivisible.

By refusing to negotiate with Israel, the Palestinians and other Arabs, too, leave little room for constructive mediation. They have only exacerbated Israel's mistrust and thus destroyed the psychological value of Egypt's breakthrough. If left now with the stark choice of annexing the West Bank or yielding it to a hostile Palestinian state, even Begin's sizable Israeli opposition would annex.

But that opposition still breathes, and it pants for American support. It is led by realists who think that incorporating a million Arabs into the Jewish state poses a greater threat to security than guiding them toward their own destiny. There may be risks in offering the Palestinians real autonomy and a separate political future, but many Israelis prefer them to perpetual domination or war.

What this opposition urgently needs is America's help in clearing a path to the Palestinians. And that requires a dogged reaffirmation of the Camp David promise of "full autonomy" — until elected Palestinian leaders can join with Israel, Egypt and Jordan to determine the region's future.

Of the Camp David signatories, only the United States can now give "autonomy" in the West Bank a constructive definition, one that separates Israel's security requirements from Palestinian political and territorial rights. Begin and the PLO notwithstanding, these need not be incompatible.

After four wars in the close quarters of the Middle East, Israelis tend to associate security with the size of their territory. War followed their first surrender of the Sinai's "strategic depth" — but the costliest war of all occurred while they held it. The depth of this new peace does not depend on the size of the terrain again surrendered. It depends on a breadth of vision in many places, on the churning under of fears instead of dreams.

THE NEW YORK TIMES.

THE WASHINGTON POST.

Other Opinion

War Over the Falklands?

If the British blockade is maintained, if bloodshed is kept to a minimum, if international sanctions against Argentina are applied and maintained by other countries, above all by the United States, if the Argentine economy deteriorates rapidly — then the whole picture may look very different in two or three months' time.

— From The Sunday Times (London).

The Falklands gap, separating Britain and Argentina, has narrowed. It is still wide. But

A paradox is revealed in the Middle East as Israel evacuates the Sinai. For the unavoidably ambiguous promise of peace with Egypt, Israel is abandoning the certainties of a strategic buffer, one containing substantial economic assets. You might think Israelis would be assuaging their large and legitimate anxieties with the world's respectful appreciation for the huge risks they are taking for peace. But what few bows are being accorded are formal ones. Most countries, and many Americans, are already looking beyond Sinai.

It is obvious what shadows a day that otherwise would be bright. Israel's peace with Egypt was half of Camp David. The other half, an accommodation with the Palestinians, is stalled. Israel feels its performance with Egypt entitles it to work on the Palestinian question, within the Camp David framework, in its fashion. But its performance on the West Bank has pretty much cost it such a presumption of good faith. Israel has commandeered land and water for extensive Jewish settlement, blocked authentic currents of Palestinian nationalism and offered an autonomy so watery-thin as to discourage sampling by all but a docile few.

In short, Mr. Begin has retreated from his clearly stated and understood Camp David commitment to arrange with Egypt and the United States a five-year "full autonomy" for the Palestinians and, during that period, to bring Palestinians into a negotiation on the "final status," including borders, of the disputed territory.

In defense of the Israeli stand, it is asserted that the Palestine Liberation Organization is strictly a terrorist organization devoted to Israel's ruin. Terror is in the PLO's charter and mentality and operations, and too many people denigrate Israel's claim to protest and to defend itself against this ugly side of it. But that is just the point: Palestinian nationalism has different sides, different tendencies, as Zionism does. It was always open to Mr. Begin to play to the cooperative side. He chose not to. His policies have seemed designed to push all Palestinians to the far edge occupied by some of them, and to characterize all their activity as extreme even when it consists of politics in the democratic mode.

The current condition of Israel's politics and nerves is cited as a reason why the Reagan administration must walk on eggs and continue what it has been doing, which is to pursue a "strategic consensus" and muffle the Palestinian question. There is something to this argument, but not enough. The Israeli-Palestinian dispute creates tensions and the constant danger of war in an important region, and complicates American relations with every country there, not least Israel. The way it is now, the United States is not so much protecting Israel as sponsoring an Israeli suppression of another people, at great expense, political cost and risk. This is unseemly, unjust and unnecessary.

Stick to Camp David, says Menachem Begin. Fine. Camp David is a capacious accord. The trouble is not that it is narrow but that the United States has not challenged Mr. Begin's narrow interpretation of it.

He signed up for "full autonomy." Let him deliver, with America defining what it means by the term and pushing him along. Since Washington accepts that settlements harm the peace process, let it say it expects settlements to end — at once. Deal with the PLO, to bring it into direct negotiations with Israel? Why must the United States be held to its pledge on not talking with the PLO when Mr. Begin falls away from his "full autonomy"? Use aid as a lever? It's a question of tactics, not principles.

Israel is a friend and ally with a deep and abiding claim on affection, respect and constancy. Nothing can shake that. But surely it is possible to tell a close friend what you think your mutual obligations are. Let us sit around fumbling our worry beads and moaning about how complicated the Arab-Israeli question is and how difficult to resolve. This is a familiar question, and although it will be difficult to resolve, progress can be made if the United States will set out carefully and openly to do the job.

THE WASHINGTON POST.



Quietly, Well Below the Wind

By George F. Will

WASHINGTON — It has been said that the dust from exploded beliefs makes a fine sunset. One result of the Falklands affair may be a fine sunset from exploded beliefs about naval power.

In 1919 people were shocked by the title of a book: "The First World War." Fifty-three years and at least as many wars later, it is widely and strangely believed that "force settles nothing" — although since 1919 force has settled the fates of Hitler, South Vietnam and many other things. Force — Argentina's use of it, Britain's use and threat of it — will settle the Falklands' fate, one way or another.

Old attitudes and supremacies have vanished. (Communicate to the Admiralty, 1915: "We shelled the Turks from 9 to 11. And then, it being Sunday, had Divine Services.") Britain doubtless cannot recapture the islands by amphibious landings; a force coming ashore should have a four-to-one advantage over the force on shore. But Britain's force would be at best one-fourth that of Argentina's. As for stalemate at a latitude comparable to northern Newfoundland, Britain's fleet is arriving as winter is arriving, and winter means 80-knot winds and 40-foot seas.

But the Royal Navy has nuclear submarines. Such weapons have never been used in war, so there are few people who know how excellent they are.

Those who know are those who use them 24 hours a day, 365 days a year, in undercover operations shadowing and being shadowed by Soviet submarines. Nuclear submarines are so fast, quiet and superbly equipped that Britain's could confine the Argentine Navy to port, or to the seabed.

The mere announcement of a blockade would cause maritime insurers to suspend policies on ships entering the area. Commercial traffic would stop; grain destined for Russia might rot on the docks.

This is a moment to explode the belief that the use

of naval forces for political objectives — "gunboat diplomacy" is the usual epithet — is an anachronism. And it is time for renewed appreciation of the role of naval forces in the U.S.-Soviet balance.

The Soviet Navy is quantitatively superior and is gaining qualitatively, but you do not accurately gauge a navy's adequacy by comparing it side-by-side with an adversary's navy. You measure a navy against its mission as defined by geopolitics, including treaties.

The Soviet Union spans the Eurasian land mass and is contiguous with its principal "allies." The United States is an "island nation" whose trade and alliances reach across water, upon which the United States must be able to project force.

Naval forces must be designed for survival — for winning a fight, if necessary — in high-threat areas. The Straits of Florida are one.

The Soviets have placed in Cuba their most advanced surface ships, diesel submarines and MIG-23s. If war began in Europe, more than half the men and materiel to resupply U.S. forces would have to pass from Gulf of Mexico ports through the Straits of Florida, or elsewhere through the Caribbean, within range of the formidable interdiction forces based in Cuba. East Coast naval facilities — Charleston, S.C., Mayport near Jacksonville, Fla., and Kings Bay, the new Trident base in southern Georgia — can be blocked by diesel submarines operating from Cuba.

The Navy is, rightfully, the biggest beneficiary of President Reagan's rearmament plans. Its budget is doing well in Congress, not because Congress enjoys spending for military procurement but because the number of ships has been cut in half in the last 12 years and is now inadequate to treaty commitments.

These commitments bind the United States to more than 40 partners, touching every ocean.

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Beyond Ex-Yamit: Partial Peace Is Joyless

By Flora Lewis

TEL AVIV — The eve of Israel's second full withdrawal from Sinai is a time of peace with Egypt was a moment of questions without answers. The simple, almost apologetic ceremonies scheduled for Sunday were a symbol of the wary uncertainty.

For the Israelis, forcible evacuation and destruction of the Yamit settlement in northern Sinai was a trauma. Not ashes, but desert sand to desert sand is the ugly lesson. A great many, in the opposition as well as in Prime Minister Menachem Begin's government, have bitterly sworn: Never again.

That bodes ill for the West Bank and Gaza. There are a few optimists around the Middle East, but not many. Everyone tends to agree that attitudes in the area continue to change with time. The issue is which way they are going and when.

Optimists, both in Egypt and Israel, say Arab leaders and eventually Palestinians will wake up soon and realize that only Egypt, by acceptance of peace and negotiations, has found the successful formula. The drama of Yamit will fade and Egypt's real commitment will ease Israel's fears, while failure of Begin's version of limited autonomy for people but not for land on the West Bank will revive Jerusalem's interest in compromise.

This analysis also relies on changing Arab alignments and possible Iraqi rapprochement with Egypt to counter Syrian ambitions eastward. Syria alone could not block an effort to enlarge the settlement involving Jordan.

But most authorities feel time is going in the other direction. Israeli attitudes have definitely hardened. The government is gaining time that resolute Arabs in what Israelis call "the territories" (the Arabs say, "the oc-

cupied territories") will realize the failure of the PLO to help them. The plan is eventually to offer local self-government with a choice of citizenship in Israel or Jordan. One day, Transjordan would be seen as the Palestinian state, at the expense of Hashemite rule. The fact that this would assure much greater, more dangerous hostility on Israel's longest border is accepted by such people as Defense Minister Ariel Sharon as preferable to any Arab sovereignty on the West Bank.

That is not fixed policy at this stage. It depends on a lot of dangerous impermanences. The most immediate is the future of southern Lebanon and the tough decision facing the PLO. Israeli analysts do not see how it can go on indefinitely accepting the cease-fire yet refusing to negotiate, and still claim allegiance among Palestinians.

The bet in Tel Aviv is that the PLO will start to shell northern Israeli settlements again. That would change Israeli opinion further. Preparations have been completed for an invasion of southern Lebanon. Sharon and Foreign Minister Yitzhak Shamir have said publicly that the PLO could be wiped out as a military force. The main reason Begin refused to endorse the operation appears to be that Israeli opinion would not have supported it, including risk of war with Syria.

The United States gave clear and sharp warnings. But Washington would not necessarily be an effective deterrent if a majority of Israelis were aroused by renewed Arab attacks. Senior Western diplomats rate the danger of another major war within a year or so as

greater than at any time since 1973, and with a far higher level of armament on both sides.

Those are the shadows over the resumption of Egyptian-Israeli autonomy talks cautiously expected by Washington soon. It is going to take a lot of U.S. hand-holding and prodding just to get them seriously launched.

Opposition leader Shimon Peres has a plan. Like almost all Israelis, he opposes an independent West Bank state. But he believes an autonomy compromise could be reached with Egypt, including the right for Jerusalem Arabs to vote as absentees. Then, he would seek to join with Egypt in getting Saudi support to implement the plan in Gaza. The third step would be a staged negotiation with Jordan, possibly with an interim joint Israeli-Jordanian trusteeship for the West Bank. All this presumes waning PLO influence. And few observers think Peres has a chance of coming to power.

Nonetheless, there is no escaping the fact that dominant Israeli opinion threatens the Jewish nature of the state even as Israelis stress historical and religious claims. There is no answer to how Israel can maintain its social, political, religious and ethnic character and absorb 1.3 million Arabs who are multiplying a good deal faster than the Jews.

That problem, even more than the need to compromise for peace, moves Israeli moderates. They say there is a swelling revulsion in the country against the indefinite burden of occupation and the prospect of a bi-national state. Ironically, that is the PLO demand which its own strategy cannot achieve and it would mean another Lebanon.

Partial peace is joyless.

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Defense in Europe: Reassessing the Tank

By Tom Wicker

NEW YORK — Is the tank, introduced in World War I and the dominant land weapon of World War II, obsolete already? And if so, might that help in the prevention of nuclear war?

The answer is yes to both questions in the few of an impressive group of prominent scientists, U.S. military officers and former senior government officials.

Unfortunately, their recent statement attracted little notice, owing primarily to the great attention accorded at the same time to a proposal by four former national security officials that the United States move toward a policy of "no first use" of nuclear weapons.

The group under the auspices of the Union of Concerned Scientists went further. It recommended:

• A "no-first-use" policy and the withdrawal from Europe of American and Soviet tactical nuclear weapons.

• Immediate Soviet-American negotiations for large reductions in nuclear arsenals.

• A U.S. announcement of willingness to enter into an immediate bilateral freeze on the buildup of strategic nuclear weapons, as well as renewed negotiations for a comprehensive test ban treaty.

The concerned scientists' group concluded, first, that the United States and the Soviet Union share

"rough equality" in nuclear weaponry — 9,500 strategic nuclear weapons on the American side, 7,000 on the Soviet — with neither having the capacity to disarm the other in a successful first strike.

The group also found that NATO has the manpower, economic wealth and technological prowess to mount an adequate conventional defense against a nonnuclear Soviet attack. That is where the tanks come in.

Another anti-tank device requires an observer to focus a laser beam on an oncoming tank; either an air- or missile-delivered bomb or artillery shell then "homes" on the laser and destroys the tank.

This method was used in Vietnam as early as 1969 in bombing bridges. Alternatively, infrared-guided weapons can pick up the heat of a tank engine and follow it to the target.

NATO anti-tank aircraft, of course, could be vulnerable in battle; for that reason, Garwin advocates a buildup of conventionally armed cruise missiles to deliver — from whatever distance required

and without the inflexibility of fixed artillery positions — the anti-tank weapons.

Hand-held weapons can also fire guided missiles that will seek out a maneuvering tank if the man firing it keeps his sights trained on the tank; the weakness is that this can take perhaps 10 seconds, during which the weapon's holder must remain standing and is highly vulnerable. Garwin insists that periscopes and detached firing equipment could quickly and cheaply be developed to perfect these otherwise effective tank killers.

All these weapons would be more effective than neutron bombs or other nuclear weapons against a spread-out tank force, and they would carry with them no risk of nuclear escalation.

Thus, nonnuclear developments in anti-tank warfare, if they void the supposed Warsaw Pact advantage in tanks, also go far to void it whatever necessity there might have been for NATO to rely on nuclear weapons to repel a conventional attack. That, in turn, would make clear the feasibility of a "no-first-use" policy.

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April 26: From Our Pages of 75 and 50 Years Ago

1907: Blackout Scars New Yorkers

NEW YORK — Members of the Lampighters' Union took the Welsbach Illuminating Company and the city authorities by surprise when they struck, leaving the city's residence sections in darkness save for such aid as was given by non-union men and boys. An emergency police order was issued and policemen were ordered to light up as much as they could, but they had no ladders, and many were too fat to climb the iron posts. Householders whose wives and daughters had planned to pass the evening out became alarmed and kept the telephone wires to the police stations hot. The side streets, depending entirely on gas lamps for illumination, remained for hours tempting fields for burglars.

1932: Hitler Celebrates in Munich

BERLIN — "We are now indisputably the strongest party in Germany," declared Adolf Hitler in a speech to his followers in Munich. Thanking his partisans all over Germany on the day after the victory that made the National-Socialists, with 162 seats out of 422, by far the strongest element in the new Prussian Diet, the Nazi leader said: "Bravery and a spirit of sacrifice are manifested in this great victory. All our enemies' attempts at suppression are unable to hinder our swift rule." In the new Prussian Diet, neither the old Weimar coalitionists — Socialists, Centrists and Democrats — nor the Nationalist opposition — Hitlerites and Nationalists — will be able alone to form a government.

Letters intended for publication should be addressed "Letters to the Editor," and must include the writer's address and signature. Priority is given to letters that are brief and do not request anonymity. Letters may be abridged. We are unable to acknowledge all letters, but value the views of readers who submit them.

A Soviet Opportunity In the South Atlantic

By Leopold Unger

BRUSSELS — Moving with a speed that might dazzle the British, Soviet forces landed in Argentina. The Soviet national soccer team played its planned matches against Argentina's national team.

Given the importance of soccer in Argentina and the political utilization of sport in the Soviet Union, the decision to play scheduled matches despite an international crisis is an indication of Moscow's support for Argentina in the conflict over the Falklands.

It is not a question of fair play. When diplomatic expediency requires, Moscow knows how to ignore schedules, as it did when it boycotted the 1976 Chile Olympics in Israel on the pretext of instability in the Middle East.

When the Falklands crisis came before the United Nations Security Council, Moscow felt it could not support the use of force to seize contested territory. That would have meant encouraging a precedent that could be exploited, if only through propaganda, by China, Japan and Romania over parts of Siberia, the Kurile Islands and Bessarabia. Not to mention the Baltic countries and a good third of prewar Poland that are now under Soviet control.

It was better for Argentina that Moscow showed a loose preference for the United Nations, less Soviet support set off a counter-reaction among the major Latin American countries and deprive Argentina of support from its continent.

But that was long ago. Now the Soviet position on the Falklands issue has shed ambiguity. The Soviet press regularly assails "U.S. duplicity" and condemns in advance any British attempt to "restore a colonial status" to the islands.

Soviet observation planes based in Cuba, spy ships from various ports — notably Luanda in Angola — and satellites are supplying Argentina with data on the movements of the British fleet.

After their initial discretion, the Soviets realized that several aspects of the crisis placed Moscow firmly on the Argentine side.

This is, in fact, an excellent opportunity for the Soviet Union. The Falklands affair, like the Cyprus dispute before it, offers two allies of the United States and forces Washington to be cautious.

Argentina is a serious partner for the Soviet Union, both economically and politically. Moscow has already bought 12 million of the 18 million tons of grain that Argentina will export this year. This is important for Argentina, which sells more goods to the Soviet Union than to any other country, and it is vital for Russia, whose grain harvest this year was the worst of the last decade.

Sales of Soviet goods are always subject to political uncertainty. For example, in the event of direct Soviet intervention in Poland, President Carter imposed a grain embargo on the Soviet Union after it intervened in Afghanistan. That embargo was skirted largely thanks to grain from Argentina.

In addition, Argentina has been a Soviet ally in international debates — particularly at the United Nations — on human rights.

Another reason for the Soviets to support the Argentine position is the EEC trade sanctions. (Tas calls them "economic blackmail.") If the sanctions worked again, Buenos Aires, Moscow would see a dangerous precedent that could be applied to the Soviet Union.

West European countries declared sanctions unworkable when they rejected U.S. pressure to cut trade with the Soviet Union after the military coup in Poland. Yet now the West European states have acted together in imposing sanctions against Argentina.

Finally, as a world power the Soviet Union cannot remain aloof from any conflict that could alter the international balance of power. The Kremlin has long been attracted by Antarctica, where it has seven outposts for "scientific" studies. The area between Antarctica and Argentina, like the Cape of Good Hope off southern Africa, is a strategic maritime channel.

The 1982 Cuban crisis showed the Kremlin that it did not have the means to play an important and permanent role in the Western Hemisphere. But that very failure was a turning point. In the 20 years since then the Soviet Union has acquired the needed ships and bases and taken advantage of each crisis to increase its influence in the area.

For Moscow, the Falklands affair is another opportunity to be seized. ©1982, International Herald Tribune.

-Letters-

Moon Case

Regarding "Moon Case Stir U.S. Debate on Political Activities of Churches" (Herald Tribune, April 13):

How is it possible that reputable church organizations can file "friends of the court" briefs on behalf of the Moon's Unification Church? Such groups as Moon's only become so powerful and spread their venom because they are tax-exempt and able to spend without accountability on advertising and indoctrination.

It is time that church leaders united behind the governments of the free world and paid a small portion of taxes. Only when there is some public knowledge of the money donated and the property wealth of churches will the poor finally benefit from the "good works" of churches.

Taipei. SUSAN BYASSON.

Austria Again

In response to Maria Maerz (Letters, April 22): I emphatically deny the "lack of information or fairness" attributed to me by Ms. Maerz in my reporting on Austria ("Focus on Austria," March 25). The article leads with relevant remarks by Chancellor Bruno Kreisky but is otherwise based exclusively on recent interviews with, or statements by, leading bankers quoted. (I wonder whether Ms. Maerz was present at the annual meeting of the Association of Austrian Bankers on Feb. 24?)

The correspondent curiously fails to see a 10-square-inch graphic showing precisely the unemployment statistics. These statistics are repeated in expanded form on the last page of the supplement.

The OECD's 1981 Economic Survey on Austria appeared only after the supplement. However, the 1980 survey is cited in a large display showing Austria in a distinctly favorable light.

Vienna. DAVID HERMES.

SAS Fauted

Elizabeth Thomas (Letters, April 12) says that SAS "may soon resemble Aeroflot." From my own experience I can assert that the attitude of SAS personnel is already Aeroflot-like, condescending and "could not care less" towards the customer.

Tokyo. H.Z. BORNSTEIN.

Mark Twain

Thank God for Mark Twain, and also for Russell Baker's intelligent and sensitive commentary (Herald Tribune, April 16) on teachers, kids and classics.

Geneva. BERT CANTOR.

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Peking, Barren of Greenery and Choking on Pollution, Tries to Undo Damage

By Michael Weisskopf
Washington Post Service

PEKING — The birds disappeared 25 years ago, then the grass and shrubs for reasons that could only have made sense in China at the time.

The birds were systematically exterminated for eating farmers' seeds. Sparrows and song birds by the millions dropped dead of exhaustion as Peking residents beat pots, banged gongs and exploded fireworks to keep them from resting on tree limbs.

Peking's greenery was uprooted in a later mass effort that was designed to rid the city of insects by destroying breeding grounds. The pests had become a health menace because there were no birds to eat them.

Now, the first thing one notices about spring in Peking is how much it looks like winter, held and birdless. A park in April is a testament to the chain of man-made and natural disasters that have turned China's capital into an ecological basket case.

The city that survived centuries of war,

foreign occupation and political changes is choking on foul air and dust storms, drying up from a severe drought and gagging on contaminated water and human filth.

For Peking's nine million residents, the ecological decay turns up the misery index a few notches. Bicycle riders cover their faces with surgical masks and nylon scarves to keep from breathing cold dust. No one drinks the water before boiling it. Youngsters have few green spots for play.

A U.S. Environmental Protection Agency scientist visited Peking two years ago and conducted a spot air-quality test and found pollution six times greater than the agency considered safe.

According to Chinese reports, the 1.6 million tons of raw sewage and industrial waste dumped daily into city streams pollutes underground water supplies with harmful amounts of mercury, cyanide, cobalt and benzene.

Profligate use of water and the worst drought in 100 years have dried up a third of the city's wells, lowered the water table by

three yards (2.73 meters) last year and caused an increase in the nitric acid content of drinking water.

Communist officials whose crash industrialization and social neglect upset Peking's balance of nature over the last three decades have recently begun to realize the negative effects and have become devoted ecologists.

The city has banned the construction of new heavy industry, ordered polluters to clean up their emissions and forced some factories to ration water. Peking citizens, who once were mobilized to kill birds and pull out every blade of grass, are now exhorted to plant trees and shrubs.

Despite the best official efforts, Chinese and foreign experts believe that reversing Peking's environmental degradation will be as difficult as bringing back the song birds.

Over the last 200 years, Peking has evolved from a gentle town of royal families and mandarin scholars into a gritty industrial giant, which produces 80 percent of everything it consumes.

Like many Western cities, Peking grew without an eye to aesthetics or human need. Population has increased sixfold since 1949 and whole neighborhoods popped up without planning for sewerage, roads or water.

Dwindling Water Resources

The pressures of population in a city that offers each person 15 square feet (1.35 square meters) of living space intensify the environmental problems. Many Peking residents have added small wooden or brick structures to their houses, extending them into the narrow alleyways that serve as streets. The unsanitary building has caused a major sanitation problem by blocking the passage of trucks that pick up garbage and excrement.

Government regulators already have taken emergency measures to conserve dwindling water resources. In addition to rationing for several dozen industries, the city has installed water meters in some offices, schools and army barracks to cut down usage.

With the underground water supply di-

minishing, the dangerous impact of pollutants has grown substantially. The official Health News magazine, which issued a long list of drinking water contaminants, reported that the mercury content of fish in some areas exceeds government limits by 40 percent.

While cooking sterilizes water and food, it is more difficult to filter the air one breathes in Peking. Most air pollution comes from the coal-burning stoves used for heating and cooking. According to the Peking Evening News, the ovens pump enough soot into the air each year to fill more than 6,000 railroad cars.

Dust Storms Blow

Tons of coal dust spewed out daily create what is known among foreign residents as "Peking lung" — chronic bronchitis. The EPA scientist who measured air quality said the soot is made of very small particles with pervasive effects on lungs.

On most days, smog makes it impossible to see the western hills that flank the city.

The coal residue mixed with what Chinese specialists say are high levels of sulfur dioxide, carbon monoxide and nitrogen oxide almost always make breathing difficult.

The difficulty increases every spring when vicious dust storms blow in sand from the Mongolian desert. The dust moves unobstructed through treeless sections of Peking, finding its way into window cracks, nostrils and lungs. Goggles are sometimes needed to see a few feet ahead.

As Chinese scientists and municipal officials have gained exposure to pollution problems and remedies in other parts of the world, they have moved with urgency to tackle Peking's problems.

Last February, the academy of sciences started the "urban ecosystem research project," which was called a "major scientific item" with the goal of making Peking more livable. The project, which will recommend measures for cleaning up Peking, was described as "urgent and of great importance."

Even the city's greatest boosters would agree that, as urban models go, Peking needs work.

U.S. Aides Stress Triad In Asia Against Russia

By Robert Trumbull
New York Times Service

HONOLULU — Senior U.S. diplomatic and military officials in the East Asian and Pacific region have emphasized the common interests of China, Japan and the United States in countering what the officials said was a growing Soviet threat in the area.

Adm. Robert L. Long, the Hawaii-based commander of U.S. forces in the Pacific and Indian Ocean and Gulf areas, said, "We have long passed the point where we can defend against the Soviet Union alone."

In an analysis of U.S. security concerns in the region, he gave priority to what he termed "the growth of Soviet military power" and "a comprehensive Soviet strategy for military power projection."

The diplomats and Adm. Long took part last week in a closed-door policy conference at the admiralty's headquarters at Camp Smith, near Honolulu. They spoke before an audience of civil and business leaders on "U.S. National Security Interests in Asia and the Pacific," sponsored by the Pacific and Asian Affairs Council, a private study group.

Arthur W. Hummel Jr., the U.S. ambassador to China, said of the ties linking Washington, Peking and Tokyo, "There is no doubt the maintenance of this friendly, informal triad is the foundation of long-term stability in East Asia. In addition, this triad friendship and cooperation has wide-ranging strategic impact throughout the globe."

Mr. Hummel said that while the current hostility between Peking and Moscow "probably will be dampened down," he could not fore-

see "a real Sino-Soviet rapprochement and partnership" such as existed before ideological differences separated them more than two decades ago.

He said, "U.S. military planners no longer consider China as a potential adversary. China implicitly supports U.S. military deployments and security arrangements throughout the area."

Taiwan Remains Problem

The serious differences of view between Washington and Peking concern China's support of North Korea and U.S. arms sales to Taiwan, he said.

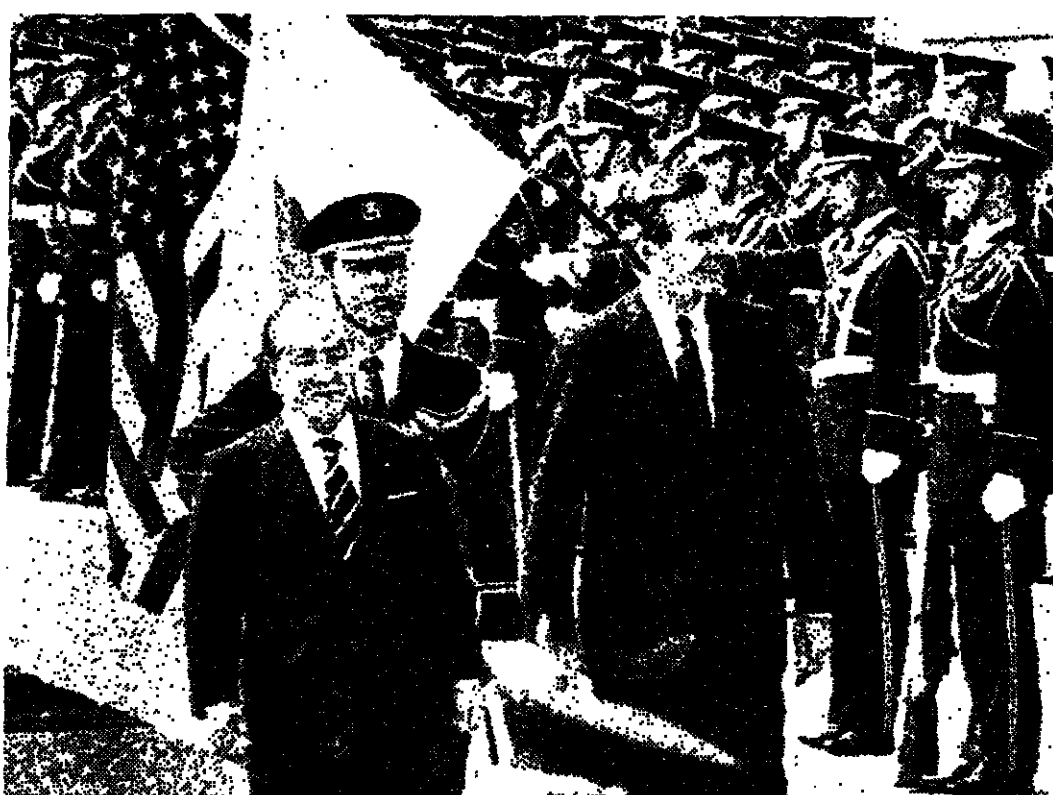
John H. Holdridge, assistant secretary of state for East Asian and Pacific Affairs, referred to the Taiwan disagreement as a "minefield" that "I'm not even sure we can find a way through."

"But, we are working very hard to establish a balance, to establish a bridge, to maintain an official relationship with China and an unofficial relationship with Taiwan," he said.

The U.S. ambassador to Tokyo, Mike Mansfield, and other speakers called for an improved Japanese military ability, but conceded that domestic political considerations limited Japan's role to defense of its own territory.

Another consideration mentioned was the lingering suspicion of a resumed Japan among Asians who suffered at Japanese hands in World War II.

John Gumbler Dean, U.S. ambassador to Thailand, said, "The prospects for future development of the Soviet Union's newly gained Vietnamese bases are alarming and raise new questions of our preparedness to cope militarily in the Western Pacific."



Vice President Bush and Premier Zenko Suzuki of Japan review an honor guard in Tokyo.

Bush Arrives in Seoul After Saying He Would Be Willing to Visit China

From Agency Dispatches

SEOUL — Vice President Bush arrived Sunday from Tokyo, on the second stop of a tour of Asia and the Pacific that will also take him to Singapore, Australia and New Zealand.

His three-day visit to South Korea marked the centennial of U.S.-Korean relations. The 1882 Treaty of Peace, Amity, Commerce and Navigation was only the first step of a long succession of treaties and international agreements which have bound the two nations and their peoples, Mr. Bush said after his arrival.

Mr. Bush is expected to meet President Chun Doo Hwan on Monday.

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Captured Agent Said to Implicate S. Africa in Failed Seychelles Coup

By Joseph Lelyveld
New York Times Service

JOHANNESBURG — A former South African intelligence operative is reported to be disclosing to his captors in the Seychelles details of South African government involvement in a bungled coup there in November.

Martin Dolinchev was captured on the island of Mahé shortly after a band of white mercenaries had escaped in a commandeered Air India plane. He quickly acknowledged being an agent of the National Intelligence Service of South Africa but maintained, at first, that his employers knew nothing about his involvement in the plot to overthrow the government of President France Albert René.

Later, in testimony to a United Nations commission dispatched to investigate the attempted coup and in interrogation sessions with the Seychelles police, Mr. Dolinchev is reported to have said that high officers of the South African defense forces as well as the intelligence service were well informed of the plot. Now reports from Victoria, the capital of the Seychelles, say Mr. Dolinchev is planning to become a state witness and to "tell all" in the trial of six other accused conspirators who were captured after the botched coup.

He is said to have implicated the commanding officer of the South African forces in South-West Africa (Namibia), Maj. Gen. Charles Lloyd, saying he gave the general a full report on the coup plan in 1980, when Gen. Lloyd was stationed in the province of Natal on the Indian Ocean coast.

In an interview with a Natal newspaper, Gen. Lloyd acknowledged recently that Mr. Dolinchev had tried to persuade him to meet with Col. Mike Heaslop, the mercenary leader who is now standing trial in South Africa with 42 of his

men on a charge of hijacking the Air India plane. Gen. Lloyd said the meeting never took place and denied that he had any prior knowledge of the attempted coup.

Mr. Dolinchev is reported, however, to be asserting that the South African government decided in 1980 to provide logistic support and that the Soviet- and Hungarian-made AK-47 assault rifles and Chinese hand grenades that they used to smuggle into the Seychelles were made available by the South African armed forces from stocks captured from guerrillas in Namibia.

The National Intelligence Service has maintained that Mr. Dolinchev's employment was terminated two months before the coup attempt.

A pro-government Afrikaans-language newspaper, Rapport, said two weeks ago that planning for a

Seychelles coup started the day after a dinner party for intelligence service officers, including Neil Barnard, the head of the service, at a Durban hotel last September.

The English-language Rand Daily Mail reported last Wednesday from Victoria that the South African intelligence service sent two agents to the Seychelles in the guise of tourists two months earlier in an effort to discover how much Mr. Dolinchev had been telling the authorities there.

A further indication of official South African wariness was contained in a remarkably soft response made the week before last by Prime Minister Pieter W. Botha to an appeal from Mr. René for clemency for three young members of the banned African National Congress who have been condemned to die for their part in an attack on a police station.

Namibia Voting Plan Reportedly Rejected

The Associated Press

LISBON — Black nationalists fighting South Africa for the independence of South-West Africa have rejected revised Western electoral proposals for the territory, according to the official Angolan press agency.

The reports received here, including interviews with Sam Nujoma, the president of the South-West Africa People's Organization, and Paulo Jorge, the Angolan foreign minister, said the region's "front-line" nations also rejected the latest proposals drawn up by negotiators from five Western nations who have been trying for years to arrange a settlement of Mr. Nujoma, who heads a movement that has been fighting a low-level guerrilla war against South Africa for 16 years, was quoted as saying his group "reserves the right to reject that which is not correct."

Supporters of the guerrillas have said that a key feature of the proposal — to have the votes of Namibians count in two different races — made the election too complicated. Mr. Nujoma demanded a one-man, one-vote system.

Origins Questioned

According to the Angolan report, Mr. Nujoma said the latest proposals "came originally from South Africa" after meetings last year between South African and U.S. officials.

Under the Western proposals, each voter would cast one ballot, but each ballot would count twice: once in a nationwide proportional race and once in head-to-head constituency contests.

Half the seats in a constituent assembly, or parliament, would be elected through each of the two mechanisms, according to the proposals.

In line with his guerrillas' recent

offensive in northern Namibia's rich farmlands, mostly populated by white colonists, Mr. Nujoma threatened further attacks while negotiations remain deadlocked.

"The forces of liberation will increase their fire while there is no negotiated accord," he was quoted as saying.

'Impasse' Reached

Mr. Jorge, whose Marxist government has provided refuge for thousands of SWAPO supporters who have fled the war zone, said talks on South-West Africa's future had reached an "impasse." SWAPO and the "front-line" nations — Angola, Mozambique, Botswana, Zambia, Tanzania, Zimbabwe — were seeking to get the negotiations back on a forward track, he said.

Outlining the negotiation process begun in earnest last year, he said that the second electoral proposal offered by the Western five "seems no different from the first to us."

Preliminary conversations pointed to three possible voting systems for Namibia, he said: universal suffrage, proportional representation or a combination of the first two.

After a recent meeting in Tanzania, SWAPO and the front-line countries told the Western negotiators that they favored universal suffrage first but would also "leave the door open" on the possibility of proportional representation. No combination of the two, however, would be accepted.

The subsequent proposals for variations on the third, or combined, system. The latest proposals constituted a one-man, one-vote procedure, Mr. Jorge said, but "this vote would then be counted twice."

American to Chronicle Genocide by Pol Pot

By Samuel G. Freedman
New York Times Service

NEW HAVEN, Conn. — Gregory Stanton remembers when the Cambodian genocide began. He was a college senior in Cambodia in 1969 and met a teen-age boy. The boy told him how two others of his age, members of the Pol Pot forces, had forced him to watch as they killed his parents.

"And as he told me this," Mr. Stanton said, "he began to cry."

And now, in the recounting, so does Gregory Stanton. The mission he has chosen for himself — to chronicle the killing of millions of Cambodians by the government of Pol Pot — is historical and statistical, but it is also, he says, a synthesis of conscience and outrage.

He said, "Part of it is that after you've gotten to know people in Kampuchea and heard their stories — and everyone has lost someone — you begin to realize how personal mass murder is. Impersonal to the murderer, but personal to the victim. You hear enough, to the point where the stories add up to a duty."

To Mr. Stanton, duty is the Cambodian Genocide Project. He made an initial trip to Cambodia for the project in March. Now he is attempting to raise \$300,000 for an 18-month project that would begin in October and include photographic surveys of mass graves.

microfilming of records of executions, studies of bodies by a forensic pathologist and interviews with survivors.

Estimates of the number of Cambodians starved, murdered or worked to death during the rule of the Pol Pot regime, from April, 1975, to January, 1979, range from one million to three million in a population that previously stood at about seven million.

Beyond a body count, Mr. Stanton believes, his study may stand as a reminder to the world, much in the way Jewish people have memorialized the deaths of European Jews under Nazism to guard against a repetition, and a tool for nations to take action against the Pol Pot regime, which continues to represent Cambodia in the United Nations.

Mr. Stanton, 35, a student at the Yale Law School in New Haven, said, "We must try to learn why genocides happen, because they don't just happen. Human will makes them happen."

"We might learn the way unrestrained state power can turn, is bound to turn, evil. One of the chilling lessons — maybe the most chilling — is how this regime made its children into killers."

Cities Battered

The Pol Pot government drove millions of city dwellers to rural communes, jailed or executed many educated urbanites, left Phnom Penh, the capital, deserted, and bulldozed other cities, like Kompong Speu, out of existence.

That was the Cambodia Mr. Stanton found when he arrived in June, 1980, to direct relief for Church World Service, an agency of the National Council of Churches.

Mr. Stanton said, "When you talked to the witnesses it was obvious there was murder on the basis of Stalin and Hitler."

Last summer Mr. Stanton elicited the cooperation of David Hawk, former president in the United States of the human rights organization Amnesty International, and obtained permission to conduct the study from the Cambodian government of Heng Samrin, which now controls most of the country and is fighting the remaining Pol Pot forces.

In his initial investigation, Mr. Stanton and Mr. Hawk photographed mass graves, the skulls piled separately from sundry bones to make a more expeditious body count.

Mr. Stanton read the records of the Tuol Sleng prison, where thousands of Cambodians were clubbed to death. One document at the prison, Mr. Stanton said, explained this method by saying, "Bullets couldn't be wasted."

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Cardinal John P. Cody of Chicago Dies at 74

By Chung Yil Hyung
AP Wire Service

SEOUL (AP) — Chung Yil Hyung, South Korea's foreign minister in 1960 and 1961, died Friday of complications from hypertension, a family spokesman said. He also had served eight terms as a national assemblyman.

Ernest Hoy

TOCCOA, Ga. (UPI) — Ernest Hoy, 86, one of the last surviving World War I flying aces, died Thursday following an extended illness. Mr. Hoy was credited with shooting down seven German planes in dogfights over France as a captain in the Royal Canadian Air Force.

William Cameron Townsend

LANCASTER, S.C. (UPI) — William Cameron Townsend, 85, originator of the effort to translate the Bible into every language in the world, died Friday of leukemia. He was founder of two translating organizations, Wycliffe Bible Translators and Summer Institute of Linguistics in Dallas.

Stanley Roberts

BEVERLY HILLS, Calif. (AP) — Stanley Roberts, 63, who wrote screenplays for such films as "The Caine Mutiny" and "Death of a Salesman," died Thursday of cancer.

The Rev. Michael P. Walsh

BOSTON — The Rev. Michael P. Walsh, 70, a former president of Fordham University and Boston College, died in Boston Friday. He became president of Boston College in 1972, died Saturday after collapsing at his home in Newtown, Ohio. He was elected to 11 terms.

Melville Bell Grosvenor

NEW YORK (NYT) — Dr. Melville Bell Grosvenor, 80, president of the National Geographic Society and editor of its magazine, died Thursday of a heart attack in Miami. He was editor in chief of the publication from 1967 to 1977. He lived in Bethesda, Md. Mr. Grosvenor's family had

Italian Reporter Freed In Dispute Over Story

The Associated Press

ROME — A magistrate has ordered the release of a journalist jailed last month for refusing to reveal his sources for a story that said the Christian Democratic Party paid a ransom for the release of a party member kidnapped by the Red Brigades in Naples.

The magistrate granted provisional liberty — the equivalent of release on bond — to Marina Maresca, a reporter for the Communist Party daily L'Unità. Although she did eventually reveal her sources, she still faces criminal libel charges.

8 Held at Brussels Protest

The Associated Press

BRUSSELS — Eight persons were arrested Saturday, when fights between police and a small number of demonstrators ended a march by thousands of youths urging the government to create more jobs. A police spokesman estimated that 10,000 people marched through Brussels to protest the government's austerity program; organizers put the number at 25,000 to 30,000.

Capture of Infiltrators Reported by Zimbabwe

United Press International

HARARE, Zimbabwe — Two South African soldiers are being held after "infiltrating" the country recently, Zimbabwe's security minister has said. Other reports have said the men were wanted in South-West Africa for murder charges.

The minister, Emmerson Mnangagwa, said Saturday that the two men had served with South African forces in South-West Africa (Namibia) before coming to Zimbabwe. He said an investigation was under way. Press reports in South-West Africa have said the two men were wanted in connection with a murder and robbery. They fled the territory while awaiting trial, the reports said.

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Amnt	Security	%	Mat	Middle Price	Mat	Ave Life	Cur	Amnt	Security	%	Mat	Middle Price	Mat	Ave Life	Cur
13.75	Prov. Of Quebec	100	10/1/78	13.75	13.75	13.75	13.75	13.75	Prov. Of Quebec	100	10/1/78	13.75	13.75	13.75	13.75
18.15	104 Apr 78	100	10/1/78	18.15	18.15	18.15	18.15	18.15	104 Apr 78	100	10/1/78	18.15	18.15	18.15	18.15

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1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
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HIGHEST YIELDS									
to Average Life Above 5 Years									
11	11	11	11	11	11	11	11	11	11
12	12	12	12	12	12	12	12	12	12
13	13	13	13	13	13	13	13	13	13
14	14	14	14	14	14	14	14	14	14
15	15	15	15	15	15	15	15	15	15
16	16	16	16	16	16	16	16	16	16
17	17	17	17	17	17	17	17	17	17
18	18	18	18	18	18	18	18	18	18
19	19	19	19	19	19	19	19	19	19
20	20	20	20	20	20	20	20	20	20
21	21	21	21	21	21	21	21	21	21
22	22	22	22	22	22	22	22	22	22
23	23	23	23	23	23	23	23	23	23
24	24	24	24	24	24	24	24	24	24
25	25	25	25	25	25	25	25	25	25
26	26	26	26	26	26	26	26	26	26
27	27	27	27	27	27	27	27	27	27
28	28	28	28	28	28	28	28	28	28
29	29	29	29	29	29	29	29	29	29
30	30	30	30	30	30	30	30	30	30
31	31	31	31	31	31	31	31	31	31
32	32	32	32	32	32	32	32	32	32
33	33	33	33	33	33	33	33	33	33
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35	35	35	35	35	35	35	35	35	35
36	36	36	36	36	36	36	36	36	36
37	37	37	37	37	37	37	37	37	37
38	38	38	38	38	38	38	38	38	38
39	39	39	39	39	39	39	39	39	39
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41	41	41	41	41	41	41	41	41	41
42	42	42	42	42	42	42	42	42	42
43	43	43	43	43	43	43	43	43	43
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45	45	45	45	45	45	45	45	45	45
46	46	46	46	46	46	46	46	46	46
47	47	47	47	47	47	47	47	47	47
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53	53	53	53	53	53	53	53	53	53
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57	57	57	57	57	57	57	57	57	57
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62	62	62	62	62	62	62	62	62	62
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67	67	67	67	67	67	67	67	67	67
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71	71	71	71	71	71	71	71	71	71
72	72	72	72	72	72	72	72	72	72
73	73	73	73	73	73	73	73	73	73
74	74	74	74	74	74	74	74	74	74
75	75	75	75	75	75	75	75	75	75
76	76	76	76	76	76	76	76	76	76
77	77	77	77	77	77	77	77	77	77
78	78	78	78	78	78	78	78	78	78
79	79	79	79	79	79	79	79	79	79
80	80	80	80	80	80	80	80	80	80
81	81	81	81	81	81	81	81	81	81
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91	91	91	91	91	91	91	91	91	91
92	92	92	92	92	92	92	92	92	92
93	93	93	93	93	93	93	93	93	93
94	94	94	94	94	94	94	94	94	94
95	95	95	95	95	95	95	95	95	95
96	96	96	96	96	96	96	96	96	96
97	97	97	97	97	97	97	97	97	97
98	98	98	98	98	98	98	98	98	98
99	99	99	99	99	99	99	99	99	99
100	100	100	100	100	100	100	100	100	100

[illegible][illegible][illegible]

178	Auto	7/24	1/2	23.26	7.20	178	Gold Plated	6/24	1/2	23.26	7.20	178	Trans Am	6/24	1/2	23.26	7.20
179	Auto	7/24	1/2	23.26	7.20	179	Gold Plated	6/24	1/2	23.26	7.20	179	Trans Am	6/24	1/2	23.26	7.20
180	Auto	7/24	1/2	23.26	7.20	180	Gold Plated	6/24	1/2	23.26	7.20	180	Trans Am	6/24	1/2	23.26	7.20
181	Auto	7/24	1/2	23.26	7.20	181	Gold Plated	6/24	1/2	23.26	7.20	181	Trans Am	6/24	1/2	23.26	7.20
182	Auto	7/24	1/2	23.26	7.20	182	Gold Plated	6/24	1/2	23.26	7.20	182	Trans Am	6/24	1/2	23.26	7.20
183	Auto	7/24	1/2	23.26	7.20	183	Gold Plated	6/24	1/2	23.26	7.20	183	Trans Am	6/24	1/2	23.26	7.20
184	Auto	7/24	1/2	23.26	7.20	184	Gold Plated	6/24	1/2	23.26	7.20	184	Trans Am	6/24	1/2	23.26	7.20
185	Auto	7/24	1/2	23.26	7.20	185	Gold Plated	6/24	1/2	23.26	7.20	185	Trans Am	6/24	1/2	23.26	7.20
186	Auto	7/24	1/2	23.26	7.20	186	Gold Plated	6/24	1/2	23.26	7.20	186	Trans Am	6/24	1/2	23.26	7.20
187	Auto	7/24	1/2	23.26	7.20	187	Gold Plated	6/24	1/2	23.26	7.20	187	Trans Am	6/24	1/2	23.26	7.20
188	Auto	7/24	1/2	23.26	7.20	188	Gold Plated	6/24	1/2	23.26	7.20	188	Trans Am	6/24	1/2	23.26	7.20
189	Auto	7/24	1/2	23.26	7.20	189	Gold Plated	6/24	1/2	23.26	7.20	189	Trans Am	6/24	1/2	23.26	7.20
190	Auto	7/24	1/2	23.26	7.20	190	Gold Plated	6/24	1/2	23.26	7.20	190	Trans Am	6/24	1/2	23.26	7.20
191	Auto	7/24	1/2	23.26	7.20	191	Gold Plated	6/24	1/2	23.26	7.20	191	Trans Am	6/24	1/2	23.26	7.20
192	Auto	7/24	1/2	23.26	7.20	192	Gold Plated	6/24	1/2	23.26	7.20	192	Trans Am	6/24	1/2	23.26	7.20
193	Auto	7/24	1/2	23.26	7.20	193	Gold Plated	6/24	1/2	23.26	7.20	193	Trans Am	6/24	1/2	23.26	7.20
194	Auto	7/24	1/2	23.26	7.20	194	Gold Plated	6/24	1/2	23.26	7.20	194	Trans Am	6/24	1/2	23.26	7.20
195	Auto	7/24	1/2	23.26	7.20	195	Gold Plated	6/24	1/2	23.26	7.20	195	Trans Am	6/24	1/2	23.26	7.20
196	Auto	7/24	1/2	23.26	7.20	196	Gold Plated	6/24	1/2	23.26	7.20	196	Trans Am	6/24	1/2	23.26	7.20
197	Auto	7/24	1/2	23.26	7.20	197	Gold Plated	6/24	1/2	23.26	7.20	197	Trans Am	6/24	1/2	23.26	7.20
198	Auto	7/24	1/2	23.26	7.20	198	Gold Plated	6/24	1/2	23.26	7.20	198	Trans Am	6/24	1/2	23.26	7.20
199	Auto	7/24	1/2	23.26	7.20	199	Gold Plated	6/24	1/2	23.26	7.20	199	Trans Am	6/24	1/2	23.26	7.20
200	Auto	7/24	1/2	23.26	7.20	200	Gold Plated	6/24	1/2	23.26	7.20	200	Trans Am	6/24	1/2	23.26	7.20

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158	Shapell's	9/17	Jul	11	12.18	12.18
159	Shapell's	9/17	Jul	10	12.18	12.18
160	Shapell's	9/17	Jul	9	12.18	12.18
161	Shapell's	9/17	Jul	8	12.18	12.18
162	Shapell's	9/17	Jul	7	12.18	12.18
163	Shapell's	9/17	Jul	6	12.18	12.18
164	Shapell's	9/17	Jul	5	12.18	12.18
165	Shapell's	9/17	Jul	4	12.18	12.18
166	Shapell's	9/17	Jul	3	12.18	12.18
167	Shapell's	9/17	Jul	2	12.18	12.18
168	Shapell's	9/17	Jul	1	12.18	12.18
169	Shapell's	9/17	Jul	0	12.18	12.18
170	Shapell's	9/17	Jul	0	12.18	12.18
171	Shapell's	9/17	Jul	0	12.18	12.18
172	Shapell's	9/17	Jul	0	12.18	12.18
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178	Shapell's	9/17	Jul	0	12.18	12.18
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180	Shapell's	9/17	Jul	0	12.18	12.18
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197	Shapell's	9/17	Jul	0	12.18	12.18
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199	Shapell's	9/17	Jul	0	12.18	12.18
200	Shapell's	9/17	Jul	0	12.18	12.18

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U.S. \$80,000,000

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BANK LIMITED
SUMITOMO BANK MERCHANT BANK

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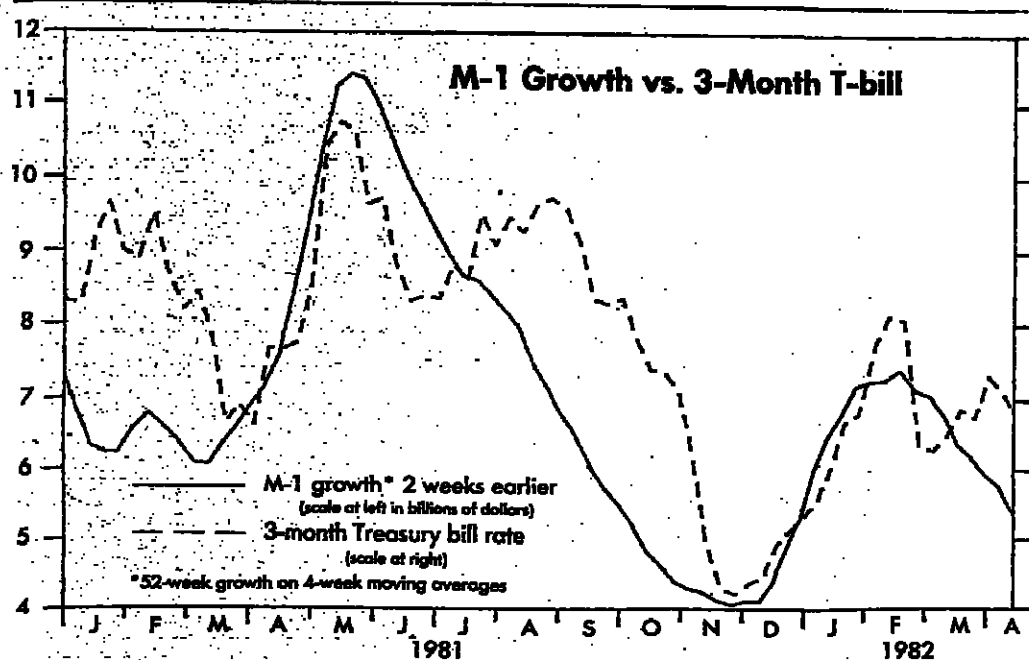
Leading Marketmakers in Eurobonds WestLB
Westdeutsche Landesbank

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International Bond Prices — Week of April 22

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

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'Uncertainty Premium' Cited for High U.S. Rates

(Continued from Page 7)

again. That to me is volatility," he said.

"Each time our money supply surges for a while, interest rates go up. They don't go down," despite the Keynesian theory that they should. "We all want interest rates down, therefore we don't want money supply surging. And yet since last October we've had another surge in the money supply."

With greater stability in monetary growth, Mr. Sprinkel is convinced that interest rates would come down. "I agree that we're not going to get the real rate back to 3 percent very quickly, but there's a long distance between 12 1/2 percent and 3 percent and my expectation is that it is going to come down significantly."

For Mr. Sprinkel, the decline in U.S. interest rates will also relieve the pressure building in Europe for more order to the international monetary system and less fluctuation tolerated in foreign exchange rates.

Intervention in the foreign exchange market "attacks the symptoms, not the cause" of the disruption, Mr. Sprinkel asserts. Rather, he adds, "coordinated economic policies and falling inflation will result in stable exchange rates."

Mr. Sprinkel acknowledges that there is a serious credibility gap regarding fiscal policy. But he notes that there is a "major effort" under way between the administration and Congress on ways to cut the deficits, which should help restore credibility on fiscal matters.

Mr. Galbraith goes further, arguing that "the deficit is absorbable without getting in the way of a drop in interest rates."

He asserts that there is \$830 billion in pension funds that professional money managers could be

shift into the nearly dead long-term bond market once they became convinced that inflation was really declining and that exceptionally high real rates of return are available.

In addition, he says, "there is some \$400 billion sitting in money-market funds" currently invested in short-term instruments and untold amounts sitting in trust funds and insurance companies.

"These managers are sitting there, seeing the size of this inflation premium, the real return on their money, and they're starting to see a continuation of inflation figures [declining] and these money managers, the guys locked into this inflationary psychology ... are very close to the point [where] they're going to start going into the market buying bonds like there's no tomorrow."

"I can't tell you what thing is going to trigger it off, but we're close to it. I think we're taking in terms of one month, two months ... It's just human nature of an investor, of money managers to de-

cide 'I better grab this now because there's some very big capital gains to be made. Bond prices are going to sail up and I better lock into those big coupons now.'"

Once the bond market comes to life, more can be done to bring down short-term rates, he argues.

'Wrong Before'

Asked why Henry Kaufman, the chief economist at Salomon Brothers and probably Wall Street's most closely followed analyst, was not espousing this view, Mr. Galbraith replied: "I don't know what his problem is. He has been wrong before."

Asked in a telephone interview about the ambassador's assessment, Mr. Kaufman challenged Mr. Galbraith's figures noting that corporate pension funds at last count totaled \$322 billion and state and other public pension funds totaled \$225 billion — a total \$547 billion. He also noted that money market funds currently are valued at about \$200 billion.

He said that pension funds at

last count hold some \$250 billion in shares, \$160 billion in corporate bonds and \$75 billion in U.S. government securities.

"I would hardly think that the pension funds have an excess abundance" of cash ready to move into new issues of U.S. government securities. "What we are talking about is a net new emission of government debt that will have to be financed by net new savings."

"The funds don't have excess funds lying somewhere about waiting to be funneled into the bond market," he notes, but will have to be bought by someone else to make room for additional bonds. This amounts to a reshuffling of investments and not the needed new source of funds.

Likewise, if the assumption is made that the cash invested in money market funds will move into the bond market, the question has to be asked who will be around to buy the short-term instruments these funds will have to sell to get the cash to buy the bonds, he said.

Demand Outstrips Supply for Dollar Notes

(Continued from Page 7)

rates will rise to the record high seen last year.

Investment bankers report very substantial demand from both institutional and retail investors for dollar Eurobonds.

"Coupons offered on non-dollar paper are not interesting in comparison, the names of issuers are good and investors are taking advantage of it. I haven't seen such broad-based demand in the last 2 1/2 years," one Swiss-based banker reported. Another agreed, saying the "undertone is unbelievable."

The only lament is that the number of offerings is not keeping pace with demand — a signal that issuers also believe that rates are headed lower and can sell paper more cheaply by waiting rather than rushing to the market now.

As a result, both BC Hydro, the British Columbia hydro and power authority, and Union Carbide were able to increase the size of their offerings by \$50 million each.

BC Hydro sold \$200 million of seven-year bonds at 9 1/2 percent bearing a coupon of 14 1/2 percent while Union Carbide sold \$150 million of seven-year paper at par bearing a coupon of 14 1/2 percent. Both issues ended the week quoted at 99 1/2 bid-100 asked.

The current calendar includes:

- Canadian Pacific, \$75 million

of 10-year bonds at par bearing a coupon of 14 1/2 percent — a notch lower than BC Hydro and Union Carbide, reflecting how well those issues were received. The CanPac paper is secured by collateral trust bonds which are secured by a lien on the company's properties.

- GMAC Overseas Finance Corp., guaranteed by General Motors Acceptance Corp., \$100 million of seven-year bonds bearing a coupon of 15 percent at 99 1/2 bid-100 asked.

This is GMAC's fourth issue of the year and the eleventh since 1979 and the market is showing signs of being quite full of this paper. The market also looks unfavorably on the fact that the issue can be called after five years at no penalty premium to GMAC. The paper was quoted on a when-issued basis at 97 1/4.

- Commercial Credit Finance, guaranteed by Commercial Credit Co., \$50 million of three-year notes at par bearing a coupon of 14 1/2 percent. Each \$1,000 note bears two detachable one-year warrants to buy a like amount of 15 percent notes due 1987 at par. The warrants were quoted at \$22 and the notes ex-warrants were quoted at 95 1/2.
- J.P. Morgan International Finance, a subsidiary of the bank holding company which owns Morgan Guaranty, is offering \$250

million of 15-year floating rate notes. Interest will be paid quarterly at a quarter-point over the average of bid and offer interbank rate. This is a touch higher than some other floaters, but the maturity is longer and the commissions, a slim 1 1/2 percent, light.

The maturity is very long as only a handful of 15-year floaters have been sold to date and the structure — subordinated debt — is unusual as most bank floaters are senior debt. Both features, however, result from the fact that the proceeds will qualify as primary capital for the parent company.

Morgan has undertaken to issue enough shares over the coming 15 years to retire this debt with new equity.

- European Asian Capital, guaranteed by European Asian Bank which is owned by the EBIC group, \$50 million of 10-year floating rate notes with interest set semi-annually at a quarter-point over the average of the bid and offer rates. A minimum coupon of 6 percent is guaranteed.
- Sabah Development Bank of Malaysia, owned by the state of Sabah, \$30 million of seven-year notes that are redeemable at noteholders' option after five years. Interest will be set at a quarter-point over the six-month interbank offer rate and is guaranteed to not fall below 6 percent.

In the Deutsche mark sector, the 100 million DM, 10-percent, 10-year bonds for Renfe, the Spanish railway, were priced at a premium of 100 1/2, reducing the yield to 9.92 percent.

Beneficial Overseas Finance's 100 million DM of seven-year bonds bearing a coupon of 9 1/2 percent were priced at par.

Currently on offer is 100 million DM for Crédit Foncier de France. The 10-year bullet issue bearing a coupon of 8 1/2 percent is being offered at a price of 99 1/4 for a yield of 8.83 percent.

Konishiroku Photo Industry is offering 50 million DM of six-year bonds convertible into common stock. The photo products company is offering a semi-annual coupon of 7 1/2 percent. The bonds are expected to be made convertible at a price that will be 5 percent over the prevailing quote in Tokyo when terms, including a fixed exchange rate, are set on April 27. If investors are unhappy with the subsequent performance of the stock price, they will have the option to redeem the bonds on Oct. 21, 1985, at a premium of 103 1/4, which will work out to a yield of 8 1/2 percent.

On offer in other currencies are:

- Ville de Sherbrooke (Canada), 12 million Canadian dollars of five-year notes priced at par bearing a coupon of 17 percent.
- Hudson's Bay Co., 40 million Canadian dollars of seven-year paper bearing a coupon of 17 percent. The issue price is to be fixed Tuesday.
- Sociétés de Développement Régional, guaranteed by France, 30 million ECU of 10-year bonds offered at par bearing a coupon of 14 percent.
- World Bank, 150 million guilders of five-year notes priced at par bearing a coupon of 10 percent.

Chemical Giants Face Watershed Decade

(Continued from Page 7)

since 1980, when Europe slipped into recession. The result has been a two-thirds use of capacity, compared with almost 90 percent a decade ago. There is little chance that excess capacity will be reabsorbed, if, as expected, overseas plants open.

Of the three major companies, only BASF has chosen what analysts call backward integration, or involvement in the energy search, to offset future competition. Through its Winterthur subsidiary, BASF is bargaining for a share in the natural gas reserves off Qatar, which promise to be among the world's largest. Winterthur holds 18.5 percent of Deminor, a West German oil-exploration company.

The companies are also looking to more sophisticated chemical products that they hope will be more recession-resistant. Pharmaceuticals account for 15 percent of Bayer's world sales, up from 9 percent a decade ago.

Last year, Bayer acquired full control of Agfa-Gevaert, the European photo equipment manufacturer.

But the real drive to reshape the industry will go beyond such diversification into a restructuring of Europe's ability to manufacture specialty chemical products, such as the highly refined plastics used increasingly in the auto industry, or the fiber-reinforced plastics expected to find more use in aircraft making.

The chief obstacles to such plans, industry analysts and officials agree, are potential nervousness among Common Market leaders that the reshuffling could cost jobs, and the limits set by the industry's liquidity hemorrhage, as the recession pares profits. Last month, the industry's major producers appealed to the European Parliament not to erect barriers to plant closures for fear of increased unemployment, arguing that only "urgent and energetic measures" to reduce capacity could assure the industry's long-term health.

One certain result, however, according to analysts, will be sharper competition on the markets for these products, which are already in less demand as such key customer industries as automobiles and housing contract.

A senior analyst at a Frankfurt bank said that, with profits off and companies reluctant to borrow at high rates, investment plans are being scaled down, which will lead to slower growth in the 1980s.

"Projects will be smaller, no giant investments, and about 40 percent of what they spend will be purely for upkeep," he said, adding: "Only in research they won't cut because that has to be turned into products."

Kidder Peabody's Mr. Church agreed: "These years will be the watershed. One of the things we'll be looking for in a company will be survivability, rather than rapid expansion. The '80s will be the decade of low growth, so that by 1990 you'll have an industry that's slumped down, more efficient."

Eurobond Yields*	
Week Ended April 21	
Int'l inst. lg. term US\$	14.92 %
Ind. long term, US\$	14.88 %
Ind. medium term, US\$	15.88 %
Can. S. medium term	15.91 %
French fr. medium term	17.33 %
Int'l inst. lg. term yen	8.17 %
ECU medium term	13.72 %
EUA long term	12.20 %
Int'l inst. lg. term LF	10.88 %
FL long term	11.12 %
*Compiled by the Luxembourg Stock Exchange	
Market Turnover	
Week Ended April 23	
(Millions of U.S. Dollars)	
Cedel	5,855.5
Eurocl	9,901.2
	4,897.3
	958.2
	9,081.6
	819.6

All of these Securities have been sold. This announcement appears as a matter of record only.

U.S. \$150,000,000

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April 21, 1982

NMB

Nederlandsche Middenstandsbank N.V.

Registered Office Amsterdam

announces the issue of

Dfls 100,000,000

11% Subordinated Debentures 1982 due 1983/2002

The issue price will be fixed on April 26, 1982.

Interest payable annually on June 1 without deduction of withholding tax.

Redemption at par in 20 almost equal annual instalments from June 1, 1983 until 2002.

Application has been made for quotation of the Debentures on the Amsterdam Stock Exchange.

Subscription will be open from April 27, 1982 at 09.00 hrs. and will be closed at 15.00 hrs. on that date.

Date of payment: June 1, 1982.

Nederlandsche Middenstandsbank N.V.

Amsterdam, April 21, 1982.

7081-7240

In 1981, Yamaichi International (Europe) Limited (YIE) had its most successful year ever. Working in tandem with Yamaichi Securities, YIE managed to expand its investment banking

business and eurocurrency underwritings fivefold. Investment advisory and brokerage business also showed healthy growth. We also added more staff and computerized much of our operations.

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NEW YORK (AP)—Weekly Over the Counter stocks giving the high, low, and last bid prices for the week with the net change from the previous week's last bid prices. All quotations supplied by the National Association of Securities Dealers, Inc. are not actual transactions but are representative of the prices at which these securities could have been sold. Prices do not include retail markups, markdowns or commissions.

Sales supplied by NASD.

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Islanders and Black Hawks Advance; Bruins Tie Series

NEW YORK — Dave Langevin, a defenseman, scored the decisive goal late in the third period as the New York Islanders advanced to the Stanley Cup semifinals with a 5-3 victory Friday over the New York Rangers. The Chicago Black Hawks also advanced to the semifinals, defeating the St. Louis Blues, 2-0.

Meanwhile, the Boston Bruins beat the Quebec Nordiques in overtime, 6-5, to force a seventh and deciding game Sunday in their National Hockey League quarter-final series.

The Islanders will play the winner of the Bruins-Nordiques series in a best-of-seven series beginning Tuesday in Uniondale, N.Y., while Chicago and the Vancouver Canucks will open a best-of-seven series Tuesday in Chicago. The Canucks earlier eliminated the Los Angeles Kings from the playoffs.

The Islanders, two-time Stanley Cup champions, took their Patrick Division final in six games. Langevin's 55-foot shot with 6:08 left, which broke a 3-3 tie, was his second of the playoffs. He scored only one goal in 73 regular-season games.

Langevin was ready when Wayne Merrick won a faceoff from the Rangers' Mike Allison and sent the puck back to the left point.

"I figured, 'Just throw it on the net,'" said Langevin. "Anything can happen. It was the biggest goal for me since high school."

NHL PLAYOFFS

Bob Bourne's second goal of the game, an empty-net score with 32 seconds to play, ensured the triumph.

Langevin said he thought the Islanders would have to improve if they expected to take their third straight Stanley Cup.

"The other teams are better as you move on," he said. "You never know who can come up big in any game. We have to be more ready."

Before Bourne's insurance goal, the Islanders goalie, Billy Smith, had preserved the Islanders' advantage by gloving a Reijo Ruot-

salainen wrist shot from 20 feet out with 2:56 to play.

Butch Goring scored two goals for the Islanders while Ruot-salainen scored a goal and two assists for the Rangers.

In Chicago, Tony Esposito celebrated his 39th birthday with his first Stanley Cup playoff shutout in eight years to give the Black Hawks a four-games-to-two series victory over St. Louis.

Dennis Savard and Rich Preston scored second-period goals to help the Black Hawks win the Norris Division championship series and move into the Stanley Cup semifinals for the first time since 1974.

Esposito, replacing Murray Bannerman, who had been slowed by a pulled muscle, posted his fifth career Stanley Cup shutout and his first since Chicago defeated Los Angeles 1-0 in 1974.

Esposito turned back 31 shots. Savard's goal, his eighth of the playoffs, came at 12:18 of the second period on a pass from Glen Sharpley. Preston got an assist on the play.

Preston scored an insurance goal at 16:55, pushing the puck past the St. Louis goalie, Mike Liut. Preston's goal, his third of the playoffs, was assisted by Terry Ruskowski and Grant Mulvey.

St. Louis launched an aggressive attack in the third period but could not score against Esposito, and the Blues went down to their seventh consecutive playoff defeat in Chicago.

In Quebec City, Peter McNab scored at 10:54 of overtime to give the Bruins their victory over the Nordiques and even their series at three games apiece.

"I didn't fully realize what had happened until I got back to the dressing room, because it was like a jumble on the ice after the goal," McNab said, referring to the tumult after the goal.

A goal by Michel Goulet at 4:06 of the third period sent the game into overtime. Goulet had two chances to score the game winner later in the third stanza when he moved in on the Boston goaltender, Mike Moffatt, on partial breakaways, but the rookie held him both times.

Boston twice had three-goal leads, but couldn't make them stand up. Keith Crowder, Terry O'Reilly and McNab gave Boston a 3-0 lead before the ninth minute of the opening period, but Peter Stastny narrowed the margin to 3-1 when he scored at 9:54 of the first period.

Real Cloutier, with his first goal of two, moved Quebec within a goal after 1:47 of the second period. But goals by Barry Pederson and Bruce Crowder restored the Bruins' three-goal advantage.

Two consecutive Nordique scores in the final minutes of the second period by Wilf Paiement and Cloutier set the stage for Goulet's tying goal.

NCAA Gives USC Football Stiff Penalty

MISSION, Kan. — The University of Southern California's football program, one of the most successful in American college sports for four decades, has been hit with one of the harshest NCAA penalties ever handed down.

The program was placed on three years' probation and prohibited from competing in bowl games and from having its games televised for two years.

The school refused to comment on the National Collegiate Athletic Association's decision and scheduled a news conference Monday.

The penalty, which was handed down Friday, was based on two major findings: football players were given grades in speech communications courses in which they did little or no work, and an assistant coach scalped the players' complimentary football tickets.

The assistant coach was not named by the NCAA, as is the organization's policy, but the man who reportedly sold the football players' free tickets for them over a nine-year period was Marv Goux, an assistant coach.

No Post-Season Games

The penalty bans the football team from participating in post-season games during the 1982-83 and 1983-84 academic years and from appearing on any NCAA-controlled television program during the 1983 and 1984 regular football seasons.

The NCAA said the academic coordinator for athletics at USC "made arrangements with a lecturer in the department of speech communications at the university to permit student-athletes to enroll in certain courses with the understanding that they would do little, if any, academic work and would be graded as student-athletes, not as students."

The NCAA considered the ticket-scalping scheme much more serious than its findings that some football players were given grades in courses strictly because they were athletes.

Charles Alan Wright, chairman of the NCAA Committee on Infractions, said "the most flagrant circumvention ... involved an assistant football coach who, during the period 1971-1979, deliberately violated NCAA rules by selling complimentary tickets to varsity football team members in excess of face value in order to provide large sums of cash to the team members who chose to participate in this arrangement."



Soviet players celebrated their victory Sunday as Canada's John Van Boxmeer skated away.

Russians Clinch World Hockey Title

HELSINKI — The Soviet Union fought off a challenge to defeat Canada on Sunday, 6-4, and capture its 18th World Hockey Championship title.

The Russians' eighth consecutive victory — the first seven came in the eight-team round-robin qualifying round — gave them an unbeatable lead with 16 points.

Only two rounds remain, and Czechoslovakia, which moved into second place Sunday with a 3-2 victory over Sweden, has 11 points and cannot catch the Russians.

Sergei Makarov snapped a 4-4 tie Sunday with five minutes left in the third period. Viatcheslav Fetisov added another Soviet goal less than two minutes later.

"The Russians seem almost unbeatable," said the Canadian coach, Marshall Johnston. "But I still think there are other teams who could win the title, although it is difficult with this present system."

He was referring to the Russians' refusal to open the playoff series — which began Sunday — with all four finalists equal in points. Soviet officials insisted that opening-round results be included in the final standings.

The Soviet coach, Viktor Tikhonov, said the tournament was difficult for his players, too. "Although we have clinched the title, I can tell you there were many nervous moments for me and the team," he said.

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Two consecutive Nordique scores in the final minutes of the second period by Wilf Paiement and Cloutier set the stage for Goulet's tying goal.

The penalty, which was handed down Friday, was based on two major findings: football players were given grades in speech communications courses in which they did little or no work, and an assistant coach scalped the players' complimentary football tickets.

The assistant coach was not named by the NCAA, as is the organization's policy, but the man who reportedly sold the football players' free tickets for them over a nine-year period was Marv Goux, an assistant coach.

No Post-Season Games

The penalty bans the football team from participating in post-season games during the 1982-83 and 1983-84 academic years and from appearing on any NCAA-controlled television program during the 1983 and 1984 regular football seasons.

The NCAA said the academic coordinator for athletics at USC "made arrangements with a lecturer in the department of speech communications at the university to permit student-athletes to enroll in certain courses with the understanding that they would do little, if any, academic work and would be graded as student-athletes, not as students."

The NCAA considered the ticket-scalping scheme much more serious than its findings that some football players were given grades in courses strictly because they were athletes.

Charles Alan Wright, chairman of the NCAA Committee on Infractions, said "the most flagrant circumvention ... involved an assistant football coach who, during the period 1971-1979, deliberately violated NCAA rules by selling complimentary tickets to varsity football team members in excess of face value in order to provide large sums of cash to the team members who chose to participate in this arrangement."

PHILADELPHIA — Villanova, trying to make up for an earlier disappointment, won three relays Saturday on the final day of the 88th annual Penn Relays. North Carolina State won two relays and Tennessee ran off with four individual titles.

Villanova, which had won the distance medley the 16 previous years, was stunned by Georgetown on Friday as the Hoyas won the event and snapped the relays' longest winning streak. The Wildcats came back to win the 6,000-meter, sprint medley and 3,200-meter relays.

John Marshall, a freshman sensation running his second 800-meter anchor leg in two hours, led Villanova to a national collegiate record in the 3,200 meters. Villanova finished in 7:12.29, breaking the old mark of 7:16.3 set by the Wild-

Sergei Shepelev gave the Russians an early lead in the first period, but Canada's Craig Hartsburg tied it at 8:08.

The Russians then scored two power-play goals — by Fetisov and Victor Shalimov — to jump ahead 3-1. Shalimov's goal came with only three seconds left in the period.

Alexander Kozhevnikov, the Soviet Hockey League scoring champion, made it 4-1 early in the second period before Canada struck for two goals by Wayne Gretzky, the National Hockey League scoring sensation, and Mark Napier. The score came only 54 seconds apart.

Kevin Lowe tied it again for Canada with only 1:22 gone in the third period and the pro-Canadian crowd went wild. But as in so many other games, Soviet stamina proved the difference in the end.

Makarov put the Russians ahead to stay at 15:18 and Fetisov scored his second goal 1:29 later.

On Saturday, the Russians also defeated Canada, 5-4, in the final match of the qualifying round. In other games Saturday, Czechoslovakia routed Italy, 10-0; Sweden tied Finland, 3-3; and West Germany and the United States played to a 5-5 tie.

Meanwhile, it was reported Sunday that a Czechoslovak player, Petr Hnacek, a 25-year-old center had defected at the tournament and gone to the United States.

PHILADELPHIA, Fla. (UPI) — Chris Evert Lloyd, the defending champion, defeated Andrea Jaeger on Saturday, 6-3, 6-1, to win the Women's Tennis Association championship.

Lloyd, the world's top-ranked woman player, started slowly but closed with a rush, winning 24 of the last 25 points.

The victory helped her average Jaeger's three-set victory two weeks ago in the semifinals of a tournament at Hilton Head, S.C. That was Jaeger's first victory over Lloyd on clay.

Lloyd fell behind 3-2 in the first set but fought back to win the next four games and the set 6-3. Lloyd dropped the opening game of the second set, then won six straight games.

Jaeger had to win a third-set tiebreaker from Kathy Horvath on Friday night to advance to the finals. Lloyd defeated Bettina Bunge in the semifinals.

Connors to Meet Gene Mayer

LAS VEGAS (AP) — Jimmy Connors rallied Saturday to beat Sandy Mayer 4-6, 6-2, 6-1, while Gene Mayer scored an easy 6-0, 6-1 victory over Mark Edmondson in the semifinals of a Grand Prix tournament here. Connors and Gene Mayer were meeting Sunday in the final round.

Against Sandy Mayer, Connors lost a set for the first time in the tournament, but he managed to turn things around and dominate the last two sets. He won 11 of the last 13 games in the match and broke Mayer's serve four times, including a crucial break at 1-1 in the second set.

Gene Mayer, Sandy's brother, fared much better in his easy win over Edmondson, jumping out to a quick victory and never giving Edmondson a chance to get back in the match.

A Meet Record

Tennessee's shuttle hurdle team of Dave Siler, Jerome Wilson, Reggie Towns and Gault set a meet record of 55.4 seconds.

Other meet records were set by Mark Strawderman of Rhode Island in the pole vault at 17-6 1/2; Ken Glover of Eastern Kentucky

in the high jump at 7-4 1/4; and Benita Fitzgerald of Tennessee in the women's 100-meter hurdles in 12.96 seconds.

In Des Moines, Iowa, on Saturday, Indiana's Dave Volz set a meet record in the pole vault at 18 feet, 2 1/2 inches, in the 73d annual Drake Relays.

Volz and three other men broke the mark of 17 feet, 7 inches set by three athletes last year. Volz, who won the National Collegiate Athletic Association outdoor title last year, is ranked fourth among U.S. pole vaulters.

Herschel Walker, the Georgia football star, finished a disappointing sixth in the 100-meter dash final. Alabama's Calvin Smith won in 10:52, short of the meet record of 10:24 seconds established by Georgia's Melvin Latany last year. Walker finished in 10:50.

Pironi Edges Partner In Formula One Event

IMOLA, Italy — Didier Pironi of France, driving a Ferrari, won the boycott-hit San Marino Grand Prix on Sunday after a 16-lap duel in which he traded the lead nine times with his Formula One teammate, Gilles Villeneuve of Canada.

The two drivers, both local favorites, duelled furiously in the closing stages of the 14-car race. Pironi took over the lead on the last lap before a crowd estimated at 100,000.

The 30-year-old Frenchman covered the 60 laps around the 3.13-mile Imola circuit in 1 hour, 36 minutes, 38.887 seconds at an average speed of 116.63 mph.

Villeneuve was furious at his second-place showing. He said that Pironi had ignored instructions to go slow during the race's closing stages.

"Didier passed me when I was leading and then I knew he was out to win," Villeneuve said. "I got around him again but in the last lap he managed to pass me again."

Results Drop Out

The decisive Ferrari sweep came after the main rivals, the two turbocharged Renaults, dropped out with mechanical troubles.

The Ferraris also did not have the strong competition from British-based teams such as Brabham, Williams and McLaren, all of which boycotted the race to protest a technical ruling by the International Automobile Federation last week.

Only 14 cars started the race because of the boycott by the British-based teams. They were protesting a federation ruling last week against the water tank ballasts used in their cars to meet minimum-weight requirements.

Only seven cars finished Sunday's race. Michele Alboreto of Italy posted a third-place finish in his Tyrrell. Jean-Pierre Jarier of France was fourth in an Italian-built Osella, Eliseo Salazar of Chile was fifth in an ATS, and Manfred Winkelhock of West Germany was sixth in the second ATS.

Rene Arnoux of France, in a Renault, stormed from his pole position into the lead and held it until the 26th lap when Villeneuve took command.

But Arnoux fought back and recaptured the lead on the 30th lap, only to see his victory hopes sputter out in a burst of flames when an oil leak caused his turbo-charger to blow and catch fire in the 44th lap.

The second Renault, driven by Alain Prost, 27, fell out of contention on the seventh lap with electrical-system failure.

Pironi was jubilant afterward. "This is a victory for the entire Ferrari team," Pironi said, apparently trying to soothe his disappointed teammate.

Asked why he apparently ignored pit orders to let Villeneuve have the victory, Pironi replied, "My engine was good one lap and had the next, that's why we were passing each other so often."

WORLD CHAMPIONSHIP STANDINGS

1. Alain Prost, France, 18 points.
2. Niki Lauda, Austria, 12.
3. Gilles Villeneuve, Canada, 10.
4. Didier Pironi, France, 10.
5. (tie) Michele Alboreto, Italy, 8.
6. (tie) Carlos Reutemann, Argentina, 4.
7. (tie) Elio de Angelis, Italy, 4.
8. (tie) John Watson, Britain, 2.
9. (tie) Roberto Guerrero, Mexico, 1.
10. (tie) Rene Arnoux, France, 1.

Promoters of the scheduled 15-round bout called it off about six hours before the scheduled start because of the downpour.

Earlier, the World Boxing Association had restored its sanction to the fight after winning a court decision Friday. An order by Judge Ruggiero J. Aldisert of the 3rd U.S. Circuit Court of Appeals in Philadelphia stayed a lower-court ruling that prohibited the WBA from sanctioning the fight.

The ruling barring the sanction was sought by attorneys for Tony Ayala Jr., the third-ranked junior middleweight. Ayala's attorneys argued that letting Herndon, ranked No. 4, step ahead of Ayala for a chance at the title violated WBA regulations.

A further court action on the status of the event will take place after the fight.

Red Sox 8, Blue Jays 7

In Toronto, Carl Yastrzemski's three-run home run — the 430th homer of his career — was the highlight of a five-run fifth inning that carried Boston to an 8-7 victory over the Blue Jays.

Brewers 4, Rangers 1

In Arlington, Texas, Pete Vuckovich pitched a three-hitter and struck out seven batters and Roy Howell hit a two-run homer to lead Milwaukee to a 4-1 triumph over the Rangers.

Royals 5, Indians 1

In Kansas City, Mo., Jerry Martin hit a two-run homer and U.L. Washington doubled home one run and scored another to lift the Royals to a 5-1 victory over Cleveland. Paul Splittorff and Dan Quisenberry combined on a five-hitter for Kansas City.

Angels 4, A's 2

In Anaheim, Calif., Don Baylor singled home one run and scored another to lead the Angels to a 4-2 triumph over Oakland. It was California's eighth victory at home without a defeat.

Mariners 3, Twins 2

In the American League, at Seattle, Julio Cruz, Todd Cruz and Dave Henderson hit home runs as the Mariners scored a 3-2 victory over Minnesota.

Orioles 7, White Sox 4

In Baltimore, Eddie Murray's two home runs — including a long

Suns Defeat Nuggets; 76ers and Bullets Win

DENVER — Walter Davis and Dennis Johnson combined for 56 points, including some crucial free throws late in the game, to lead the Phoenix Suns to a 124-119 triumph over the Denver Nuggets on Saturday in the third and deciding game of their National Basketball Association first-round playoff series.

On Friday night, the Suns beat the Nuggets, 126-110, while in the other Western Conference series, the Houston Rockets beat the Seattle SuperSonics, 91-70, to force a third game Sunday.

Meanwhile, the Philadelphia 76ers and Washington Bullets completed two-game sweeps of their Eastern Conference opponents. The 76ers eliminated the Atlanta Hawks in overtime, 98-95, while the Bullets advanced with a 103-92 triumph over the New Jersey Nets.

Philadelphia was to open its Eastern Conference semifinal series with Milwaukee on Sunday, while Washington was playing Boston. Phoenix open the Western Conference semifinals Tuesday at Los Angeles, and the winner of the Houston-Seattle series will go on to play San Antonio.

In Denver on Saturday, Davis put Phoenix ahead for good, 120-119, when he scored two free throws with 1:38 left, and Johnson added a pair of free throws to clinch the victory. Davis finished with 30 points; Johnson had 26.

It has been a difficult season for Davis, who was injured and missed 23 games early in the year and never managed to reclaim his starting job. But he has come on to play brilliantly in the playoffs.

"This year has been real frustrating for me, but I've played pretty well the past few months," he said. "I missed a couple of shots near the end of the game, but I felt pretty good when I went to the line for those free throws."

"It was just an awesome display of shooting down the stretch," the Phoenix coach, John MacLeod, said of his team's performance. "We showed a lot of heart."

Scott Robinson had 23 points for the Suns. Dan Issel scored 25 points for Denver, while Kidd Vandeweghe added 24 and Alex English tallied 18.

When the two teams met Friday at Phoenix, Johnson scored 29 points and Alvan Adams added 25 in the Suns' methodical triumph. Twelve of Johnson's points came in the first quarter, when Phoenix ran to a 40-21 lead.

Denver's only threat came late in the third quarter when the Nuggets closed the gap to 87-82 on David Thompson's three-point field goal with 3:45 remaining. But Denver failed to score again in the quarter and Phoenix responded with eight straight points to increase its lead to 95-82.

In Atlanta, Caldwell Jones sank four free throws in overtime and Julius Erving blocked a key shot with 13 seconds left to play to cap Philadelphia's three-game sweep.

Erving, who scored 13 of his 28 points in the fourth quarter to rally the 76ers, blocked an 8-foot shot by Dan Roundfield with 13 seconds left and the 76ers ahead, 95-93. Jones, who had given the 76ers the lead with two free throws with 1:07 left, then sank two more from the foul line for a 97-93 lead with four seconds to play.

The game, marked by rugged defense, was marred by a wild elbow-swinging duel involving the Atlanta center, Wayne (Tito) Rollins, and the 76ers' guard, Lionel Hollins, midway through the second quarter. Atlanta announced it was protesting the game following the incident.

In Landover, Md., Kevin Grevey scored 16 of his 23 points in the final 10 minutes as the Bullets eliminated the Nets. Frank Johnson added 18 points and Spencer Haywood had 15 for the Bullets. Albert King, who hit his first 10 shots, led the Nets with 25 points. Ray Williams added 23.

Washington did not take a lead until three minutes into the fourth quarter and didn't go in front to stay until Johnson's spectacular three-point play on a dunk over the Nets' James Bailey produced a 71-68 lead after three quarters.

In Houston, Moses Malone scored 28 points and grabbed 23 rebounds as the Rockets easily evened their playoff series at a game apiece. The SuperSonics' 70 points marked the lowest total in NBA playoff history.

Malone, the league's leading rebounder and second-leading scorer, held Jack Sikma, the Seattle center, to just one basket in the first half. Houston built a 10-point halftime lead despite shooting only 37 percent. Robert Reid, a Houston forward, came on late in the game to score 21 points and helped to hold the All-Star guard Gus Williams to seven points in the second half.

McEnroe to Play Lendl In Final for WCT Title

DALLAS — John McEnroe and Ivan Lendl, ranked No. 1 and No. 2 in the world, won their semifinal matches Saturday and will meet in the final round of the World Championship of Tennis on Monday night.

McEnroe, the top seed, prevailed in a tiebreaker to defeat Eddie Dibbs, 6-4, 6-4, 7-6, in the first match, while Lendl, seeded second, breezed past Vijay Amritraj, 6-1, 6-0, 7-5.

McEnroe, 23, will be trying to win an unprecedented third WCT title, while Lendl will be making his first appearance in the final of the tournament. The annual Dallas event brings together the top eight players in the year's WCT point standings.

"Sometimes You Let Up"

Dibbs, 31, who came into the match ranked 22d in the world, took McEnroe into their first tiebreaker ever, where both players held serve until a wide Dibs shot gave McEnroe a 3-2 lead.

McEnroe followed with two straight points, including one of his 11 aces, before Dibs fought back to tie at 6-6. McEnroe eventually took the tiebreaker, 9-7.

"I was serving in the tiebreaker over 6-3, and I thought it was kind of over," said McEnroe, who now holds a 5-1 lifetime advantage over Dibs. "You try to concentrate, but sometimes you let up. I'm just glad I got it over."

McEnroe had trailed, 3-4, in the second set of his match, but took two consecutive games and then rallied from a 30-0 deficit in the next game to take the set.

In the other match, Lendl, who has won 78 of his last 81 matches, overpowered Amritraj, who was seeded sixth in the tournament. Amritraj, 28, of Madras, India, came to Dallas ranked 33d in the world.

"I guess I was lucky to come out with my life," said Amritraj, who raised his arms in mock triumph after winning the first game of the

cats in 1977. Marshall was named the meet's outstanding track athlete.

North Carolina State won the 400-meter and 800-meter relays, the first championships ever won at the Penn event by the Wolfpack.

Tennessee won the shuttle hurdles, while Willie Gault captured the 110-meter hurdles, Mike Miller the 100 meters, Phillip Nielson the javelin and Ricky Pitman the 3,000-meter steeplechase Saturday.

On Friday, Tennessee's Dave Patrick took the 400-meter hurdles.

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